



11 June 2019

**FARM AND AERODROME COMMITTEE MEETING**

Notice is hereby given that the first meeting of the **Farm and Aerodrome Committee** will be held in the **Committee Room, Stratford District Council, Miranda Street, Stratford** on ***Tuesday 16 June 2020 at 11.00am.***

**Timetable for 16 June 2020 as follows:**

11.00am	Farm & Aerodrome Committee Meeting
1pm	Tikanga Training

Yours faithfully

Sven Hanne  
**CHIEF EXECUTIVE**

# Farm & Aerodrome - Agenda - June 2020 (16/06/2020)

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**FARM & AERODROME COMMITTEE**  
**TUESDAY 16 JUNE 2020 AT 11:00AM**

**A G E N D A**

1. **WELCOME**
2. **APOLOGIES**
3. **ANNOUNCEMENTS**
4. **DECLARATIONS OF MEMBERS INTEREST**  
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. **ATTENDANCE SCHEDULE**  
Attendance schedule for Farm & Aerodrome Committee meetings.
6. **DECISION REPORT – FARM & AERODROME COMMITTEE - TERMS OF REFERENCE**  
D20/10812 (Pages 7-14)

**RECOMMENDATIONS**

1. THAT the Farm and Aerodrome Committee Terms of Reference, as adopted by Council, be received.
2. THAT the Finance Officer and Property Officer, or substitutes as appointed by the Chief Executive, be appointed as the two staff members to the Farm and Aerodrome Committee (with no voting rights).

**Recommended Reason**

To ensure that the Committee members formally acknowledge, at the inaugural meeting of this Committee, the terms by which the Committee operates.

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7. **PROGRAMME OF WORKS**  
D20/10858 (Page 15)

**RECOMMENDATION**

THAT the programme of works be received.

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Moved/Seconded

8. **INFORMATION REPORT – FARM BUSINESS REPORT 2020 (ANNUAL)**

D20/10755 (Pages 16-86)

**RECOMMENDATION**

THAT the Farm Business Report 2020 be received.

**Recommended Reason**

The Farm Business Report 2020 gives an overview of the 2019/20 results, outlines the budget for 2020/21, and considers items of relevance to the Council owned farm investment for the Committee to consider.

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9. **DECISION REPORT - RISK REGISTER**

D20/10275 (Pages 87-96)

**RECOMMENDATIONS**

1. THAT the report be received
2. THAT the Farm Risk Register be approved and adopted.

**Recommended Reason**

Identification of the risks in the Risk Register is necessary to monitor and manage the farm and aerodrome overall risks for continued service delivery at these facilities.

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10. **QUARTERLY REPORT – FARM AND AERODROME BUSINESS REPORT**

D20/10305 (Pages 97-102)

**RECOMMENDATION**

THAT the report be received.

**Recommended Reason**

This report provides the first quarterly update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.

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11. **QUARTERLY REPORT – HEALTH AND SAFETY**  
D20/10629 (Pages 103-105)

**RECOMMENDATION**

THAT the report be received.

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Moved/Seconded

12. **QUESTIONS**

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## **Health and Safety Message**

In the event of an emergency, please follow the instructions of Council Staff.

Please exit through main entrance.

Once you reach the footpath outside please turn left and walk towards the Bell tower congregating on lawn outside the Council Building.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Stay indoors till the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2019 – 2020 Farm & Aerodrome Committee meetings

<b><u>Date</u></b>	<b>16/06/20</b>	<b>15/09/20</b>	<b>15/12/20</b>
<b>Meeting</b>	FA	FA	FA
Neil Volzke			
Grant Boyde			
Rick Coplestone			
Peter Dalziel			
Jono Erwood			
Amanda Harris			
Alan Jamieson			
Vaughan Jones			
Min McKay			
John Sandford			
Gloria Webby			

<b><u>Key</u></b>	
<b>FA</b>	<b>Farm &amp; Aerodrome Committee Meeting</b>
<b>✓</b>	<b>Attended</b>
<b>A</b>	<b>Apology/Leave of Absence</b>
<b>AB</b>	<b>Absent</b>
<b>S</b>	<b>Sick</b>
	<b>Non Committee Member</b>
<b>(AV)</b>	<b>Meeting held by Audio Visual Link</b>

# DECISION REPORT



F19/13 – D20/10812

6

**TO:** Farm and Aerodrome Committee

**FROM:** Director – Corporate Services

**DATE:** 16 June 2020

**SUBJECT: FARM AND AERODROME COMMITTEE–TERMS OF REFERENCE**

## **RECOMMENDATIONS**

1. THAT the Farm and Aerodrome Committee Terms of Reference, as adopted by Council, be received.
2. THAT the Finance Officer and Property Officer, or substitutes as appointed by the Chief Executive, be appointed as the two staff members to the Farm and Aerodrome Committee (with no voting rights).

## **Recommended Reason**

To ensure that the Committee members formally acknowledge, at the inaugural meeting of this Committee, the terms by which the Committee operates.

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Moved/Seconded

## 1. **PURPOSE OF REPORT**

This report is being brought to the Committee, although the Council has already adopted the Terms of Reference, so that the Committee can formally receive the Terms of Reference by which it operates.

## 2. **EXECUTIVE SUMMARY**

- 2.1 The Farm and Aerodrome Committee Terms of Reference were formally adopted at the April 2020 Ordinary meeting of Council.
- 2.2 This report is to bring the Terms of Reference to the Committee's inaugural meeting to be formally received by the Committee.
- 2.3 Any changes or proposed amendments are able to be recommended by this Committee to be put forward to Council.



3. **LOCAL GOVERNMENT ACT 2002: SECTION 10**

How is the subject of this report applicable to the purpose of the Act?

- Is it for the provision of good quality local infrastructure? If so, why?; **OR**
- Is it for the performance of a good quality regulatory function? If so, why?; **OR**
- Is it for the performance of a good quality local public service?

**AND**

- Is it in a way that is most cost-effective to businesses and households? If so, why?

**Good quality** means, infrastructure, services, and performance that are efficient and effective, and appropriate to present and anticipated future circumstances.

**Local public service** means, a service provided for the community which is for the benefit of the District.

New Section 10 of the Local Government Act 2002 – this report fits with section 10 (1)(a) *“The purpose of local government is to enable democratic local decision-making and action...”*

4. **BACKGROUND**

- 4.1 The Committee was established post the 2019 election, as an opportunity to provide an additional layer of governance oversight into the combined Farm and Aerodrome activities.
- 4.2 The Committee is made up of a chair (elected member), two additional elected members, and two staff members (no voting rights for staff).

5. **CONSULTATIVE PROCESS**

5.1 **Public Consultation - Section 82**

Consultation is not required.

5.2 **Maori Consultation - Section 81**

Consultation is not required.

6. **RISK ANALYSIS**

Please refer to the Consequence and Impact Guidelines at the front of the reports in this agenda.

- Is there a:
  - financial risk;
  - human resources risk;
  - political risks; or
  - other potential risk?
- If there is a risk, consider the probability/likelihood of it occurring.
- Is there a legal opinion needed?

6.1 There are no specific risks to be considered as this report is to merely accept the Terms of Reference adopted by Council and confirm the staff membership of the Farm and Aerodrome Committee.

7. **DECISION MAKING PROCESS - SECTION 79**

7.1 **Direction**

	<b>Explain</b>
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	The Farm and Aerodrome are Activity's in the Council's Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	The Aerodrome provides accessibility and leisure infrastructure. The Farm contributes economically, financing infrastructure.

7.2 **Data**

- Do we have complete data, and relevant statistics, on the proposal(s)?
- Do we have reasonably reliable data on the proposals?
- What assumptions have had to be built in?

The Farm and Aerodrome Committee Terms of Reference are attached to this report.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council’s Significance Policy, is this proposal of high, medium, or low significance?		
<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
		✓

7.4 **Options**

An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.

1. What options are available?
2. For **each** option:
  - explain what the costs and benefits of each option are in terms of the present and future needs of the district;
  - outline if there are any sustainability issues; and
  - explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions?
3. After completing these, consider which option you wish to recommend to Council, and explain:
  - how this option is the most cost effective option for households and businesses;
  - if there are any trade-offs; and
  - what interdependencies exist.

**Option One** Approve the recommendation for the Finance Officer and Property Officer, or substitutes as appointed by the Chief Executive, to be the two staff member appointees to the Farm and Aerodrome Committee.

**Option Two** Suggest an alternative membership to the recommendation above, for the two staff appointees.

7.5 **Financial**

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

There is no direct financial impact.

7.6 **Prioritisation & Trade-off**

- Have you taken into consideration the:
- Council’s capacity to deliver;
  - contractor’s capacity to deliver; and
  - consequence of deferral?

There are no trade-offs to this decision, and capacity will be made available within the existing budget for the Officer roles to take on the committee membership role.

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

The Terms of Reference comply with the Local Government Official Information and Meetings Act 1987.No legal opinion is required.

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

There are no policy issues to consider.

**Attachments:**

**Appendix 1** Farm and Aerodrome Committee – Terms of Reference



Tiffany Radich  
**DIRECTOR – CORPORATE SERVICES**



[Approved by]  
Sven Hanne  
**CHIEF EXECUTIVE**

**DATE** 9 June 2020

## APPENDIX 1

# STRATFORD DISTRICT COUNCIL

## FARM AND AERODROME COMMITTEE - TERMS OF REFERENCE

6

### PURPOSE

The purpose of the Farm and Aerodrome Committee is to provide oversight of the combined activities of the Council dairy farm at Flint Rd, Stratford, and the Stratford Aerodrome on behalf of the Council, and to monitor the implementation of the farm business strategy at a governance level.

The Committee will ensure the following objectives are fulfilled in relation to the Council owned farm:

1. To operate the farm as a separate, economic, business unit.
2. To physically support the aerodrome by way of providing a buffer zone between it, and surrounding, existing or potential, properties, and
3. The profits from the farm to be returned to Council to provide a 'dividend' to Council, offset debt or be reinvested in the farm as set by Council during the Annual or Long Term Plan process.
4. To ensure the Aerodrome activity is contributing to the Council's Community Outcomes in a cost-effective manner.

The Committee is to assist the Council in achieving its responsibility to the district ratepayers to ensure the farm is profitable, and that both activities operate sustainably.

The Committee will also be tasked with ensuring that the Council's contribution towards the operating costs of the Stratford Aerodrome is providing value for money for ratepayers and the community.

### SCOPE AND RESPONSIBILITIES

The Farm and Aerodrome Committee is responsible for reporting to the Council on progress, annual results, and making recommendations to the Council of the following activities:

- Risk Management;
- Performance Management
- Strategy Development; and
- Other Significant Matters

### ***Risk Management***

- Managing and monitoring the Farm and Aerodrome risks including legislative, health and safety, financial, and environmental risks.
- Discuss incidents, and evaluate risk management controls.
- Give recommendation to the CEO on fixing the milk price under Fonterra's fixed milk price programme.

### ***Performance Management***

- Monitor financial performance against budget.
- Initiate the development of budgets and KPI's annually with assistance from Council finance staff, as requested, and report on these regularly at Committee meetings.

### ***Strategy Development***

- Review the Farm and Aerodrome objectives in line with the changing environment and make recommendations to Council as required.
- Review the business model regularly to ensure objectives are able to be achieved.

### ***Other Significant Matters***

- Consider specific matters of significance e.g. sale or purchase of land, or change in use of land.
- Advise on significant capital proposals.

The scope of the Committee does not extend to operational matters. Operational matters include, but are not limited to, developing work programmes, procurement and approval of invoices, administration, physical works on the farm, and general day to day running of the Farm and Aerodrome.

## **MEETINGS**

The Committee shall meet once quarterly during normal working hours at a time that suits all Committee members. The Council standing orders shall apply to the Committee meetings.

All agendas, minutes and reports of the Committee will be filed electronically in Content Manager within one month of the meeting date. They will also be made publically available on the Council's website and available directly to all elected members via Diligent.

Representatives from the Farm and Aerodrome will be invited to attend all meetings.

**MEMBERSHIP**

Membership of the Committee shall be comprised of the following:

<b>Member</b>	<b>No.</b>	<b>Voting Rights</b>
Current Elected Member - Chairman	1	Y
Current Elected Member	2	Y
Council Officers	2	N

**AUTHORITY**

The Committee will have the delegated responsibility to fulfil the responsibilities of the Committee, and as per the Council's Delegations Policy. This includes the ability to request any information from Council officers that is necessary to enable it to perform its functions and duties and fulfil its responsibilities.

The Committee has the authority to ensure all Council decisions in relation to the Farm and Aerodrome are being implemented. The Committee does not have any delegated authority to act on behalf of the Council, or to make decisions that conflict with a decision made by the Council.

**REMUNERATION**

Committee members will be remunerated according to the remuneration set by the Remuneration Authority.

**REVIEW OF THE COMMITTEE**

The Committee shall undertake a self-review of its objectives and responsibilities at least once every three years. Any changes to the objectives and responsibilities recommended by the Committee must be approved by the Council before coming into effect.

These Terms of Reference shall be reviewed by the Council at least every three years, or earlier, to ensure the Farm and Aerodrome Committee remains relevant and effective.

In addition, the membership of the Committee shall be reviewed at least once every three years.

**RELATED DOCUMENTS**

- Stratford District Council Long Term Plan 2018-28
- Property Asset Management Plan 2018-28
- Annual Farm Business Reports
- Stratford District Council Annual Plans / Reports
- Farm Committee minutes
- Aerodrome Strategic Development Plan 2011

## FARM AND AERODROME COMMITTEE – PROGRAMME OF WORKS 2020

The Committee meet four times a year in June, September, December, and March. The items below are what the Committee will focus on in the 2020 calendar year.

1. Standing items will be presented regularly at every quarterly meeting.
2. Specific items are one-off items to be addressed in 2020.

### STANDING AGENDA ITEMS

- Review Programme of Works
- Farm Operational Report
- Quarterly Aerodrome Business Report
- Health and Safety Report
- Risk Register

### ANNUAL AGENDA ITEMS

- Farm Business Report/Plan 2020 – June 2020
- Aerodrome Report/Plan 2020 – September 2020
- Strategic Planning Review – December 2020

### SPECIFIC ONE-OFF ITEMS

- Farm Risk Register – June 2020
- Aerodrome Risk Register - September 2020
- Aerodrome Commercial Strategy – December 2020
- Farm Environmental Report – March 2021



# INFORMATION REPORT



**TO:** Farm and Aerodrome Committee

F19/13-D20/10755

**FROM:** Director – Corporate Services

**DATE:** 16 June 2020

**SUBJECT: FARM BUSINESS REPORT 2020**

## RECOMMENDATION

THAT the Farm Business Report 2020 be received.

### Recommended Reason

The Farm Business Report 2020 gives an overview of the 2019/20 results, outlines the budget for 2020/21, and considers items of relevance to the Council owned farm investment for the Committee to consider.

/\_\_\_\_\_  
Moved/Seconded

## 1. PURPOSE OF REPORT

The *Farm Business Report 2020* gives an overview of the 2019/20 results, and outlines the budget for 2020/21. Although it is not a legislative requirement to provide a report on the farm, and the Annual Plan 2020/21 has already been adopted by Council, it is an opportunity for elected members to review the performance of its investment in detail in order to make better informed decisions on the Farm business.

## 2. EXECUTIVE SUMMARY

The *Farm Business Report 2020* (**Appendix 1**) provides detailed financial results for the 2019/20 year, however the final results are subject to change, pending year-end adjustments. The results prepared to date show an expected net profit of \$204,717, of which, \$154,717 is proposed to be used to repay debt, with the remaining \$50,000 to be allocated to general rates.

Net profit is up on budgeted net profit by \$46,546, the farm performed well and production was up on the previous year.

The report also presents a detailed budget for 2020/21 and discusses topics of key interest, including: the Farm Environmental Plan, and the future outlook for dairy farming.

3. **LOCAL GOVERNMENT ACT 2002: SECTION 10**

How is the subject of this report applicable to the purpose of the Act?

- Is it for the provision of good quality local infrastructure? If so, why?; **OR**
- Is it for the performance of a good quality regulatory function? If so, why?; **OR**
- Is it for the performance of a good quality local public service?

**AND**

- Is it in a way that is most cost-effective to businesses and households? If so, why?

**Good quality** means, infrastructure, services, and performance that are efficient and effective, and appropriate to present and anticipated future circumstances.

**Local public service** means, a service provided for the community which is for the benefit of the District.

3.1 Section 10 of the Local Government Act 2002 (new):

*(1) The purpose of local government is—*

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and*
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.*

The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers. It is not in direct competition with other businesses in the district and therefore does not diminish economic activity. It provides some employment opportunities and contributes to the district economy through procurement of goods and services.

4. **BACKGROUND**

The Goals and Objectives of the Farm are:

1. To operate the farm as a separate, economic, business unit.
2. To physically support the aerodrome by way of providing a buffer zone between it, and surrounding, existing or potential, properties, and
3. The profits from the farm to be returned to Council to provide a ‘dividend’ to Council, offset debt or be reinvested in the farm as set by Council during the Annual or Long Term Plan process.
4. To ensure the Aerodrome activity is contributing to the Council’s Community Outcomes in a cost-effective manner.

The third objective has been amended by removing the requirement to repay debt with any remaining profit.

5. **INFORMATION SUMMARY**

The actual results for the year ended 30 June 2020 have actual (forecasted for May and June 2020) Net Profit up on budgeted Net Profit, at \$204,717. This is largely due to budget assumptions around revenue, specifically milk price forecast. Although milk solid production was less than budgeted, the \$0.90 cent difference in the pay-out from what was originally budgeted (\$6.20) had a significant positive impact on revenue for the year. This contributed to \$42,000 additional net profit, even though the budgeted dividend did not result.

Farm debt has reduced in 2019/20. The loan repayment of \$836,071 was largely due to the sale of the Campbell house, but also included remaining net profit after the rates rebate of \$50,000 was applied to Council general rates.

Note: the actual results for 2019/20 will not be finalised until mid-July.

The operational budget for 2020/21 is in line with the financial results for the 2019/20 season – no significant changes are proposed.

The Farm engaged the services of Tiaki Sustainable Dairying to develop a Farm Environmental Plan, completed in February 2020. Out of this report came seven actions to be addressed. It is recommended that the Farm and Aerodrome Committee monitor the progress of each of these actions at each Committee meeting.

6. **STRATEGIC ALIGNMENT**

6.1 **Direction**

This report relates to the Community Outcomes of Financial Strength, and Affordable, Quality Services and Infrastructure.

6.2 **Annual Plan and Long Term Plan**

The 2020/21 budget is consistent with the Annual Plan 2020/21.

6.3 **District Plan**

There is no direct relationship with the District Plan.

6.4 **Legal Implications**

There are no specific legal implications in relation to this report.

6.5 **Policy Implications**

There are no policy implications.

**Attachments:**

- Appendix 1 -** Farm Business Report 2020
- Appendix 2 -** Farm Environmental Plan 2020
- Appendix 3 -** Summary of Essential Freshwater Package



Tiffany Radich  
**DIRECTOR – CORPORATE SERVICES**



[Approved by]  
Sven Hanne  
**CHIEF EXECUTIVE**

**DATE** 9 June 2020

## APPENDIX 1

D20/10817

June 2020

# STRATFORD DISTRICT COUNCIL

## FARM BUSINESS REPORT 2020

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## Executive Summary

In 2020, the new Farm and Aerodrome (Council) Committee was established to provide governance and oversight of the combined activities of the Council owned Dairy Farm and the Stratford Aerodrome. This report is presented to the Committee in order to enable it to fulfil its responsibilities under the *Farm and Aerodrome Committee Terms of Reference*.

The Stratford District Council Farm Business Report 2020 provides an overview of the Farm Activity, a report on the financial results for 2019/20, and discussion of the financial budget for 2020/21.

The actual results for the year ended 30 June 2020 have actual (forecasted for May and June 2020) Net Profit up on budgeted Net Profit, at \$204,717. This is largely due to budget assumptions around revenue, specifically milk price forecast. Although milk solid production was less than budgeted, the \$0.90 cent difference in the pay-out from what was originally budgeted (\$6.20) had a significant positive impact on revenue for the year. This contributed to \$42,000 additional net profit, even though the budgeted dividend did not result.

Farm debt has decreased in 2019/20. The loan repayment of \$836,071 was largely due to the sale of the Campbell house, but also included remaining net profit after the rates rebate of \$50,000 was applied to Council.

Note: the actual results for 2019/20 will not be finalised until mid-July.

The operational budget for 2020/21 is in line with the financial results for the 2019/20 season – no significant changes are proposed.

### **Environmental Plan**

The Farm engaged the services of Tiaki Sustainable Dairying to develop a Farm Environmental Plan in October 2019, completed February 2020. Out of this report came seven actions to be addressed. It is recommended that the Farm and Aerodrome Committee monitor the progress of each of these actions at each Committee meeting.

### **Goals and Objectives of the Farm and Aerodrome Committee**

1. To operate the farm as a separate, economic, business unit.
2. To physically support the aerodrome by way of providing a buffer zone between it, and surrounding, existing or potential, properties, and
3. The profits from the farm to be returned to Council to provide a 'dividend' to Council, offset debt or be reinvested in the farm as set by Council during the Annual or Long Term Plan process.
4. To ensure the Aerodrome activity is contributing to the Council's Community Outcomes in a cost-effective manner.

Each of these objectives has been fulfilled in the 2019/20 year.

## Local Government Purpose

The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community.

The purpose of local government was amended in May 2019, back to as it was established originally in 2002, to provide for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

Section 10 of the Local Government Act 2002 (new):

*(1) The purpose of local government is—*

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and*
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.*

The wellbeing framework is much broader than the previously strict “core infrastructure” approach but is still restrictive in that it has a community well-being focus. An analysis of the farm business with respect to the four well-beings is discussed below. The conclusion drawn is that ownership of the farm contributes to the economic well-being of the district.

**Social** – The farm does not directly benefit social well-being in any fundamental way.

**Economic** – The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers. It is not in direct competition with other businesses in the district and therefore does not diminish economic activity. It provides some employment opportunities and contributes to the district economy through procurement of goods and services.

**Environmental** – Dairy farming is generally not viewed as an environmentally friendly activity. However, the Council is directly involved in riparian planting and complies with environmental regulations. An increased effort has been expended in this area as industry stakeholders demand better farming practices.

**Cultural** – The farm does not directly benefit cultural well-being in any fundamental way.



## Summary of the Farm

Address: 202 Flint Road East, Stratford  
Farm Area 158ha, 132 ha effective  
Topography – flat  
Soil type: Volcanic

### **Farm and Aerodrome Committee Members x3**

Grant Boyde (Chair), Peter Dalziel, Vaughan Jones

### **Council Staff Committee Members x2**

Council Farm Liaison – Property Officer  
Accountant – Finance Officer

### **Share-milkers**

Fernharp Trust Partnership: Aaron Riddick and Fiona Hogan-Riddick  
*Share-milking agreement is in effect until 31 May 2022*  
Consultant: Jono Buchly

### **Infrastructure**

Cow Shed:  
Herringbone 36 aside, cup removers, and automatic teat sprayer (owned by share-milker).  
Milk room, office, toilet and pump room.  
16,000 L vat (owned by Fonterra)

### **Yard:**

Main yard 300 – 320 when rowed up (72 in bales)  
Bobby calf shed with loading ramp  
Lockable shed for bikes and tools  
2 x 4 bay hay sheds  
Silage pit concrete floor

Water tank: 30,000 litres

Irrigation – travelling irrigator – 20ha

### **Campbell Block**

Old cowshed, loading race and vet race  
Two bay shed / calf rearing  
Lockable shed – Fertiliser spreader storage  
2 x one bay hay barns  
Sheep shearing shed  
Two metal pits

### **Houses**

4 bedroom house, car port and small shed  
1 self-contained cabin  
3 bedroom house – relocated from Pembroke Rd

**Operational**

370 Fresian-Cross Cows (owned by the share-milker)

System 3 Feeding – 10-20% of total feed is imported to extend lactation and increase production

## Financial Performance

### Financial Results 2019/20 – (Have used estimates for May/June 2020)

**Net Profit for the year is expected to be \$204,717.**

**Total Revenue was up against budget by \$41,908, at \$546,204.**

Milk supply revenue came above budget by \$65,704, at \$546,204. This was a direct result of the final forecast milk price being higher than the original milk price expectations of \$6.20 per KgMS. The final Fonterra payout has not yet been determined but will be within the range of \$7.10 to \$7.30 - for the purposes of determining actual revenue for the financial year, \$7.10 has been used. Note, 37,000 milk solids were fixed at \$6.80 earlier in the season. The remainder of milk solids have been priced at \$7.20 to get year-end forecast revenue.

The Council budgeted for a dividend of 30 cents per share based on historical data. Fonterra have advised there will be no dividend paid out for the 2019/20 year.

**Operating expenditure overall was down against budget by \$4,638, at \$341,487.**

Farm working expenses was over budget by \$25,400 at \$208,650 for the financial year. This was due to fertiliser and permit costs being over budget – refer to Table 2. The permit costs include Dairy NZ Levies and Biosecurity Response Levies. Also, the aerodrome lease was not budgeted for this year, as the original intention was to do away with the internal journal between the farm activity and the aerodrome activity.

The overhead budget allocation from Council came under budget by \$5,349, at \$31,400 for the year. This includes an allocation of Council overheads including finance, property management, and asset director services.

Interest came under budget by \$5,753, at \$62,973, as the interest rate charged by Council will be 2.66%, much less than originally anticipated, and the loan repayment is \$836,071, rather than the \$717,117 originally proposed.

Depreciation is expected to be lower than what was budgeted due to the revaluation of Council land and buildings effective from 1 January 2020.

#### Summary of other measures:

- The value of the farm investment reduced by \$720,763 due to a drop in the value of Plant and Buildings, from \$1,840,000 to \$713,152 by the end of the financial year as a result of the asset revaluation in January, and the sale of the Campbell farm house and surrounding land. However, there was an increase in land value and Fonterra shares also reduced from the start of the year.
- In this financial year, the number of cows milked increased to 370 (previous year, 362). Production in the 2019/20 season was the highest it has been in the past 4 years.

- Actual total expenditure per Kg/Ms produced was \$2.22.

### Financial Budget 2020/21

#### **Budgeted Net Profit for the year is expected to be \$118,665.**

Assumptions around number of cows (370), effective hectares for farming (132), production KgMS per cow (roughly 400), and interest rate (2.66%) remain the same for the 2020/21 budget.

#### **Total revenue for the farm for 2020/21 is budgeted at \$507,340.**

The milk price assumption of \$6.50 is based on the forecast assumptions at the time the Annual Plan 2020/21 was initially prepared. This is an estimate, based on conservative forecasts as history has shown that the milk price can drop significantly from the original forecast over the course of the season.

Fonterra have not paid out a dividend for shares owned, for the past 2 years. However, a dividend has been budgeted for in the 2020/21 year of 25 cents per Fonterra share, with half of the dividend to be paid to the share-milker.

#### **Total expenditure for the farm is budgeted at \$388,675 in 2020/21.**

Farm working expenses are expected to be higher than budgeted for in 2019/20, but similar to actual expenditure in 2019/20. Increases to the budget are largely in the areas of R & M costs, fencing, urea and aerodrome lease, at \$210,534. Refer to Table 2.

The Council overhead allocation is expected to be higher than 2019/20, at \$58,441 (previous year, \$31,400). The amount of overhead allocated by the Corporate Services department and Property Asset Manager has doubled due to the increased amount of time spent on the Farm Activity by these two areas.

Interest expense is expected to reduce by \$14,725 from the previous year budget, due to a large sum loan repayment in 2019/20 and a lower anticipated interest rate, and is budgeted at \$54,001 for the financial year.

The depreciation expense is budgeted at \$65,700 for the 2020/21 year. However, since the revaluation of land and buildings in 2020, it is likely that actual depreciation for next year will be more likely around \$45,000.

The budgeted net profit could potentially allow for a loan repayment of \$68,665 – refer to Table 4 for the expected loan balance at year end.

#### **Budgeted total expenditure is \$2.59 per kg of milk solid produced.**

<b>Stratford District Council - Profit and Loss</b>				
	<i>BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE</i>	<i>BUDGET</i>
	<b>2019/20</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Assumptions</b>				
Cows	375	370	-5	370
No. of Fonterra Shares	158,716	158,716	-	158,716
Effective Ha	132	132	-	132
Production KgMS	155,000	153,779	(1,221)	150,000
Production KgMS/Cow	413	416	2	405
Payout	\$ 6.20	\$ 7.10	\$ 0.90	\$ 6.50
Dividend (cents per share)	0.30	0.00	\$ (0.30)	0.25
Term Loan and Internal Loan	2,779,394	1,944,149	835,245	1,944,149
Debt Repayments	717,117	836,071	118,954	68,665
Interest rate	2.88%	2.66%	0.22%	2.66%
Value of Investment (Land, Buildings, Shares)	9,863,467	9,142,704	(720,763)	9,142,704
<b>Revenue</b>				
Dairy	\$ 480,500	\$ 546,204	\$ 65,704	\$ 487,500
Dividend	\$ 23,796	\$ -	\$ (23,796)	\$ 19,840
<b>Total Revenue</b>	<b>\$ 504,296</b>	<b>\$ 546,204</b>	<b>\$ 41,908</b>	<b>\$ 507,340</b>
<b>Expenses</b>				
Farm working	\$ 183,250	\$ 208,650	\$ (25,400)	\$ 210,533
Overhead Allocation	\$ 36,749	\$ 31,400	\$ 5,349	\$ 58,441
Interest	\$ 68,726	\$ 62,973	\$ 5,753	\$ 54,001
Depreciation	\$ 57,400	\$ 38,464	\$ 18,936	\$ 65,700
<b>Total Expenses</b>	<b>\$ 346,125</b>	<b>\$ 341,487</b>	<b>\$ 4,638</b>	<b>\$ 388,675</b>
<b>Net Profit</b>	<b>\$ 158,171</b>	<b>\$ 204,717</b>	<b>\$ 46,546</b>	<b>\$ 118,665</b>
<b>Return On Equity</b>	<b>2.23%</b>	<b>2.84%</b>	<b>0.61%</b>	<b>1.65%</b>
Loan Repayment	\$ 717,117	\$ 836,071	\$ 118,954	\$ 68,665
<b>Net Contribution to Rates</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>
CAPEX - Renewals	\$ -	\$ -	\$ -	\$ 42,000
CAPEX - Service Level/Growth	\$ 15,300	\$ 14,091	\$ 1,209	\$ 55,400
Sale of Campbell Farmhouse (excl GST)	\$ 608,696	\$ 592,482	\$ 16,214	\$ -

Table 1: Actual vs Budget for 2019/20 (note forecast figures are used for May/June 2020).

<b>Farm working expenses - Budgeted 2019/20</b>						
		<b>BUDGET</b>	<b>ACTUAL*</b>	<b>VARIANCE</b>	<b>BUDGET</b>	<b>Per/KgMs</b>
		<b>2019/2020</b>	<b>2019/2020</b>	<b>2019/2020</b>	<b>2020/21</b>	<b>2020/21</b>
<b>Administration</b>						
Insurance		\$ 4,200	\$ 5,839	\$ (1,639)	\$ 6,000	\$ 0.04
Consultant		\$ 4,000	\$ 259	\$ 3,741	\$ -	\$ -
Permits	1	\$ 700	\$ 4,700	\$ (4,000)	\$ 730	\$ 0.00
Levies and Fees	1	\$ 1,000	\$ 508	\$ 492	\$ -	\$ -
Subscriptions	2	\$ -	\$ 2,500	\$ (2,500)	\$ 1,042	\$ 0.01
<b>Farm Operating</b>						
R & M		\$ 27,200	\$ 28,570	\$ (1,370)	\$ 39,773	\$ 0.27
Fertiliser	3	\$ 45,000	\$ 58,370	\$ (13,370)	\$ 42,740	\$ 0.28
Grazing		\$ 35,600	\$ 38,015	\$ (2,415)	\$ 40,537	\$ 0.27
Pasture Management		\$ 5,000	\$ 8,500	\$ (3,500)	\$ 5,212	\$ 0.03
Weed and pest		\$ 5,000	\$ 1,500	\$ 3,500	\$ 5,000	\$ 0.03
Fencing		\$ -	\$ -	\$ -	\$ 3,000.00	\$ 0.02
Miscellaneous		\$ -	\$ 389	\$ (389)		\$ -
Aerodrome Lease		\$ -	\$ 6,500	\$ (6,500)	\$ 6,500	\$ 0.04
Urea		\$ -	\$ -	\$ -	\$ 5,000	\$ 0.03
Food and Minerals		55,550	\$ 53,000	\$ 2,550	\$ 55,000	\$ 0.37
<b>Total</b>		<b>183,250</b>	<b>208,650</b>	<b>-25,400</b>	<b>210,534</b>	<b>\$ 1.37</b>

\*Forecast figures are used for May/June 2020

1. Permits and Levies & Fees operating expenses are costed together in councils financial programme. These are over budget due to the Dairy NZ Inc and Biosecurity Response Levy's charged each month.

2. Subscriptions were over budget due to Federated Farmers memberships fees, this has now been budgeted for in 2020/21.

3. Fertiliser costs were higher than budgeted due to the Ravensdown Fertiliser programme recommendations.

Table 2: Farm Working Expenses vs budget for 2019/20, and budget for 2020/21.

## Capital Expenditure

**Capital expenditure in 2019/20 was under budget by \$37,278 and is a result of:**

- The \$30,000 set aside for a new generator in 2019/20 was not spent. It was decided that it would be more cost effective to hire a generator when required.
- Riparian planting was budgeted for in 2019/20 but over half was not spent due to the project nearing completion). Riparian planting has again been included in the budget for 2020/21 as it is considered a compliance cost that is required to be continually built on. The costs of riparian planting are treated as capital as they add to the value of the farm, and provide an enduring benefit.
- Actual unbudgeted costs relate to a heat pump and laying of concrete at the share-milkers farm house. The costs were not budgeted for as these were unexpected.

### **Capital Expenditure Budget 2020/21**

The Council has budgeted for a new calf bay which is estimated to cost \$15,000.

Also \$60,000 has been set aside for yard upgrades which is to be split 50/50 over renewals (funded from depreciation reserves) and increase in service levels (loan-funded).

<b>Projected Capital Expenditure</b>					
		<i>BUDGET</i>	<i>ACTUAL</i>	<i>VARIANCE</i>	<i>BUDGET</i>
		<b>2019/20</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Renewals</b>					
Farm House	1	\$ -	\$ -	-	12,000
Yard Replacement		\$ -	\$ -	-	30,000
<b>Total Renewals</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>42,000</b>
<b>Increase in Service Level</b>					
Farm House	2	\$ -	\$ 5,683	(5,683)	-
Calf Bay		\$ -	\$ -	-	15,000
Generator	3	\$ 30,000	\$ -	30,000	-
Riparian Planting		\$ 21,369	\$ 8,408	12,961	10,400
Yard Upgrade		\$ -	\$ -	-	30,000
<b>Total Service Level Increase</b>		<b>\$ 51,369</b>	<b>\$ 14,091</b>	<b>37,278</b>	<b>55,400</b>
		<b>\$ 51,369</b>	<b>\$ 14,091</b>	<b>37,278</b>	<b>97,400</b>

1. Fireplace in farm house is to be replaced in 2020/21 which may be more than budgeted due to a faulty wetback on the fireplace and the cylinder in the roof is causing damage against the wall
2. Actual farm house service level increase were made up of laying of the driveway and a heatpump.
3. \$30k had been set aside for a new generator, however it was decided that a generator could be hired when required so the budget will not be spent, nor will it be rolled over

Table 3: Capital Expenditure actual vs budget for 2019/20, and budget for 2020/21



## Farm Debt

The farm debt is expected to decrease by \$821,980 to a balance of \$1,957,414 as at 30 June 2020. The actual amount of service level improvements in the 2019/20 year, of \$14,091, resulted in new borrowings required to fund the capital expenditure.

A loan repayment of \$836,071 has been allocated to the debt balance as at 30 June 2020, this is made up of the net proceeds from the Campbell farm house sale (\$681,534) and net surplus for the year after a rates distribution of \$50,000 was allocated from the Farm to Council general rates.

In 2020/21, it is forecast that the loan balance will reduce by \$13,265 to **\$1,944,149** with a loan repayment of \$68,665 and additional loan funded capital expenditure.

The Interest Rate will be calculated on the Council's weighted average cost of debt – as at December 2019 this was 2.66%, expected to be 2.66% in December 2020.

Loan Interest		
	2019/20	2020/21
Opening Balance	\$ 2,779,394	\$ 1,957,414
New Borrowings	\$ 14,091	\$ 55,400
Less Loan Repayment	\$ 836,071	\$ 68,665
Closing Balance	\$ 1,957,414	\$ 1,944,149
Interest Rate*	2.66%	2.66%
Effective Loan Balance	\$ 2,368,404	\$ 1,950,782
Interest	\$ 63,000	\$ 51,891

\*Interest rate calculated at Council's weighted average borrowing rate as at 31 December.

The loan repayment for 2019/20 included \$681,534 for Campbell farm house and section, and the net surplus less \$50,000 used for rates mitigation.

Table 4: Calculation of loan balance and interest for the 2019/20 and 2020/21 years.

## Environmental Management Report

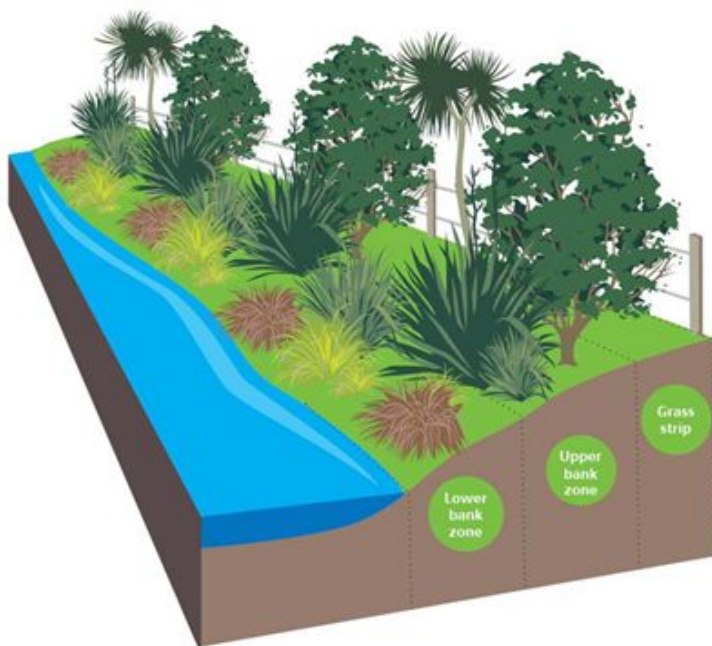
In October 2019, the Council engaged Tiaki Sustainable Dairying (free service provided through Fonterra) to develop a Farm Environmental Plan. The purpose of the plan was to describe the environmental conditions of the farm and the management of those conditions. Mitigations to potential impacts on water quality would be documented from this with timeframes established. The Environmental Plan was finalised in February 2020 and is attached to this report.

Out of this report came seven actions to be addressed. It is recommended that the Farm and Aerodrome Committee monitor the progress of each of these actions at each Committee meeting.

### Riparian Planting

Planting in riparian areas benefits the environment as plants function like a sieve, helping to filter out sediment and nutrients before they enter waterways. Stabilising riparian plants help prevent land erosion and increase the habitat for native wildlife.

Fencing waterways protects freshwater from nutrients, effluent and sediment by excluding stock and creating a buffer between rivers and streams and the land. Fencing will help to maintain and improve water quality and create a habitat for birds and freshwater species.



In 2019/20, the Council spent \$8,408 on riparian planting and fencing off of streams. As at the end of the 2020 season **95% of the riparian planting** work required had been completed (previous year, 33%), and same for fencing (previous year, 83%).

### Effluent System

Effluent is disposed by irrigation to pasture on the main block farm. The effluent system can hold up to 30 days of effluent storage. The average depth of application is <12mm.

### Nitrogen Fertiliser Inputs

The nitrogen risk scorecard for the 2018/19 season identified nitrogen fertiliser as the main risk on farm and categorised it as a medium risk due to 144kgN/ha being applied and applications occurring in the months of Jul-Aug and at rates above 25kgN/ha. All other nitrogen risks on farm were either in the very low/low category.

In conjunction with Massey University the farm has been trialling a new management tool of undertaking soil testing from aerial vision. This has meant numerous paddock soil testing has occurred along with different application rates of fertiliser for individual paddocks from those results. This has ensured that plant demand is matched to a high level of detail from the results shown. Latest individual paddock soil test results indicated Olsen P levels between 23-35kgN/ha and the fertiliser plan/recommendation is to bring levels to optimum.

Nitrogen fertiliser policy is to apply around 150kgN/ha/year. This is generally applied in the form of urea & DAP (Di-ammonium Phosphate). Rates vary throughout the season but are typically between 25-35kgN/ha at approximately 4-5 applications throughout the season. Soil temperature and weather forecast are checked before fertiliser is applied and buffer zones around waterways are maintained. External contractors 'Corletts' are used to apply fertiliser and use Hawkeye (proof of placement) which are provided once fertiliser is applied.

- A nutrient budget is used to guide fertiliser use.
- Fertiliser is only applied if there is no significant rainfall forecast.
- A buffer distance is maintained around waterways when applying fertiliser.
- Spreading equipment is regularly calibrated or a Spreadmark certified spreader is used.
- No fertiliser is stored on farm.

### The Government's Essential Freshwater Package

The objective of the reforms are to prevent further degradation of waterways and improve water quality within five years, and to reverse past damage and bring waterways and eco systems to a healthy state within a generation.

Refer to the Summary document from Dairy NZ attached to this report for further details of what will be required by the dairy farming industry under new proposed legislation.

## Future Outlook for Dairy Farming

Dairying in New Zealand is currently a \$15 billion industry, responsible for 28 per cent of total annual exports.

There is no doubt that dairy farming will look a lot different going forward, fuelled by a growing level of intolerance for environmental damage, and an acceptance by the major players in the dairy industry that improvements must be made to farming practices to prevent a reduction in consumer demand for dairy products.

Dairy farmers have recently voted to continue with the Dairy NZ levy, currently at \$0.036 per Kg/Ms (collecting about \$67m a year), which funds research into improving dairying efficiency and industry issues. The vote occurs once every six years.

Some of the issues and opportunities currently facing farming right now include:

- Environmental regulations and standards e.g. freshwater
- Limitation of the use of urea spread on farm land
- Milk price fixing
- Farm worker shortage – difficulty finding good staff.

What this means for the Stratford District Council is that the Farm and Aerodrome Committee must have a good understanding and knowledge of:

- 1) Why the Council owns and operates a Dairy Farm (covered in section under heading “Local Government Purpose” in this report).
- 2) Whether the purpose, as per point 1 above, is being fulfilled effectively, and to what extent.
- 3) What the risks are for the Council and whether these risks can be effectively mitigated, and
- 4) Whether the Council is willing to accept the challenge, and opportunities, that will arise from an increasing focus on Sustainability in dairy farming, or if that is outside the scope of its responsibilities and purpose.

The analysis prepared below gives a summary of the strengths, weaknesses, opportunities and threats in relation to the farm business.

### SWOT Analysis of the Council Dairy Farm Business

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>- Contributes to the economic well-being of our district.</li> <li>- Consistent surpluses.</li> <li>- The farm provides a buffer zone for Aerodrome noise and accessibility.</li> <li>- Relationship between share-milkers and Aerodrome operators is conducive to the continued operation of the farm and Aerodrome side by side.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>- High risk exposure to weather conditions leading to uncertainty in production/profits.</li> <li>- Fluctuations in milk price leading to uncertainty in production/profits.</li> <li>- Maintenance, Capital Replacement costs, and council staff involvement make the farm more resource intensive than an alternative cash investment.</li> <li>- Further capital investment in the farm will be required, particularly in relation to new advanced technology and replacement of plant and equipment. This will require an increase in debt.</li> <li>- Vulnerability to increasingly stricter compliance requirements relating to staffing, health and safety, nutrient management.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>- Innovative solutions and investment in technology to enable more productive use of the farm.</li> <li>- Potential opportunities for different land uses to provide a higher return on investment (dependent on soil and weather vulnerability of crops).</li> <li>- Land is a finite resource, where the value <u>generally</u> increases. Retention of land allows for potential high-value investment opportunities in the future.</li> <li>- Potential to gain revenue certainty by fixing up to 50% of milk price for next season.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>- Change in Govt legislation could affect Council liability and have an impact on compliance costs. Eg. Environmental management may become more expensive with greenhouse gas emissions and water quality being key govt concerns.</li> <li>- Change in Fonterra’s regulations eg PKE usage could affect production/profits.</li> <li>- Animal Welfare risks high in the dairy sector (not direct responsibility but can affect Council reputation).</li> <li>- Storm damage could create unplanned, unbudgeted costs.</li> <li>- Major Volcano eruption would likely destroy use of the land for farming in the medium to long-term.</li> <li>- Exposure to biosecurity risks eg Mycoplasma Bovis.</li> </ul>

Table 5: Analysis of Farm Business’ Strengths, Weaknesses, Opportunities and Threats

## Conclusion

Ownership of the farm at Flint Road is supported by elected members, and is seen as an investment into the economic wellbeing of the district, and a demonstration of Council's investment in and commitment to the rural industry.

The current share-milkers have done a great job at meeting production targets for the year and their contribution of economic benefit to the Stratford District ratepayers is to be acknowledged.

Council supports the Aerodrome and being effective in its role in providing a buffer zone to protect the continued operations of the Stratford Aerodrome.

The budgeted operating revenue and expenditure and net contribution to rates and debt repayments are made transparent to elected members to enable informed decision making with regards to the future of the farm.



# FARM ENVIRONMENT PLAN





# ABOUT YOUR FARM ENVIRONMENT PLAN

This Farm Environment Plan document is the result of a tailored farm environment planning service provided to you through Tiaki Sustainable Dairying. It's part of the advantage you get through Farm Source as a member of the Fonterra Co-Operative. The purpose of this plan is to describe the environmental conditions present on your farm and the management of these conditions. From this, mitigations to potential impacts to water quality are documented and additional mitigations maybe planned, with sensible timeframes. Underpinning this plan, are the agreed national Good Farming Practices that are supported by the agricultural and horticultural sectors. Industry bodies along with Regional Councils and Central Government have developed the Good Farming Practice: Action Plan for Water Quality 2018 in a commitment to swimmable rivers and improving the ecological health of our waterways. The Dairy Industry Strategy (Dairy Tomorrow), as well as the Good Farming Practice: Action Plan for Water Quality 2018, both align with the goal for all dairy farms to have a Farm Environment Plan by 2025. Now that this plan has been created it's the plan owner's responsibility to ensure it is put into action and kept up to date as actions are completed or conditions on farm change. Tiaki Sustainable Dairying is here to help with that implementation and ongoing management through our team of Sustainable Dairying Advisors who can be contacted via the details below.

**PHONE:** 0800 65 65 68

**EMAIL:** [sustainable.dairying@fonterra.com](mailto:sustainable.dairying@fonterra.com)

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# FARM DETAILS

SUPPLIER NUMBER

**41047**

PLAN OWNER

**Melanie McBain**

+64 6 7656099  
mmcbain@stratford.govt.nz

FARM ADDRESS

**Flint Road, Stratford**

LOCATION



REGIONAL COUNCIL

**Taranaki**

PLAN LAST EDITED DATE

12 February 2020

LAND PARCELS

Fee Simple, 1/1, Part Lot 1 Deposited Plan 3176, 368,770 m2, Fee Simple, 1/1, Allotment 1 Deposited Plan 2605, 815,619 m2, Fee Simple, 1/1, Lot 2 Deposited Plan 3176, 531,150 m2, Fee Simple, 1/1, Lot 2 Deposited Plan 3176, 531,150 m2, Fee Simple, 1/1, Part Lot 1 Deposited Plan 3176, 112,806 m2, Fee Simple, 1/1, Part Lot 1 Deposited Plan 3176, 368,770 m2, Fee Simple, 1/1, Allotment 1



Deposited Plan 2605, 815,619 m2, Fee Simple, 1/1, Part Lot 1 Deposited Plan  
3176, 112,806 m2

# FARM OVERVIEW MAP








The map below presents the land on which the farming operations covered in this document occur and identifies some key points of interest. More detailed maps looking at specific environmental management topics are contained throughout the document.



- |  |                                   |  |                                    |
|--|-----------------------------------|--|------------------------------------|
|  | Major Stock Excluded Waterway     |  | Compliant Crossing                 |
|  | Major Stock Not Excluded Waterway |  | Non-Compliant Crossing             |
|  | Minor Stock Excluded Waterway     |  | Non-Compliant Non-Regular Crossing |
|  | Minor Stock Not Excluded Waterway |  | Dispensation Crossing              |
|  | Farm Boundary                     |  | Dairy Shed                         |

# SUMMARY OF OPEN ACTIONS

This table includes all open or ongoing actions that have been agreed as part of this Farm Environment Plan. They are organized by their target due date. Where an action has been identified as especially important an additional (Flag) icon may have been added.

CATEGORY	FEATURE TYPE & NAME	ACTION REQUIRED	TARGET DATE
 F4	Silage Storage	Decommission silage pit	1 Jan 20
 F2	Water Use Overview	Install water meter	1 Jan 23
 E2	Effluent Storage	Complete pond drop test	1 Jan 23
 L2	Cropping	Cropping management plan	Ongoing
 E3	Stormwater Diversion	Stormwater diversion signal feature	Ongoing
 E4	Old cowshed ponds	Decommission effluent ponds	Ongoing
 W2	Riparian Management Unit	Complete TRC riparian plan	Ongoing



# FARM MANAGEMENT



F1 Farm Overview

F2 Water Use Overview

F3 Infrastructure, storage, waste Overview

F4 Silage Storage

F5 Key Feature - Surface water take

F6 Key Feature - Silage stack

F7 Key Feature - PKE Storage

 FARM MANAGEMENT

 **F1** Farm Overview
**DESCRIPTION:**

The Stratford District Council farm is a 158ha (132ha effective) dairy farm located on the outskirts of the Stratford township within the Patea River catchment. The farm is owned by the Stratford district council who use the business as a rate subsidy for the district. Currently the farm is managed by sharemilker's Aaron and Fiona who milk 375 cows (all spring calving) with the typical lactation season between Aug - mid/late May. The farm is flat throughout with several drains and waterways present and is unique for the Stratford Aerodrome in the centre of the farm. Average rainfall for the area would be approximately 2000mm annually.

The purpose of this plan is to highlight the Good Environmental Farming Practices that the farm is achieving already while also identifying potential risk areas to water quality on farm and actions to address these issues.

The farm is split up into two main management blocks: Non effluent (122ha) & Effluent (21ha) blocks. The remaining land is either the aerodrome (11ha) or riparian/houses & buildings etc. According to TRC data the main soil type on farm is the Stratford fine sandy loam which is a well-drained Allophanic ash soil.

The dairy farming system would be described as a system 3 with the importation of feeds such as PKE etc.

There is currently a dual resource consent on farm to discharge treated farm dairy effluent from an oxidation pond treatment system into an unnamed tributary of the Piakau Stream in the Patea catchment and/or to discharge partially treated farm dairy effluent by oxidation ponds and spray irrigation onto and into land (discharge to water outlet is however capped). The old dairy shed on the farm also has a discharge to water consent which expires in Dec 2022 and is currently used to stand cows off occasionally. The farm has also been working in conjunction with the TRC to implement a riparian management plan on farm. This is near completion with only a small amount of fencing and planting left to do.

**Good Farming Practice:**

Identify a farms environmental characteristics and plan for their management

## Practices:

\* The physical and biophysical characteristics of the farm system are identified, risk factors to water quality associated with the farm system have been assessed and are managed appropriately

**Good Farming Practice:**

Maintain records of good environmental management

## Practices:

\* Accurate and auditable records of annual farm inputs, outputs and management practices are maintained.

**IMAGES:**





8

OPEN ACTIONS:

✓ NO ACTION REQUIRED

 FARM MANAGEMENT

## F2 Water Use Overview

**DESCRIPTION:**

Water for the farm is sourced from two different locations: surface/stream water take and the Stratford town water supply. The Stratford town supply is mainly used for the dairy shed plant wash system while the surface/stream water take is used for the remaining dairy shed use and stock drinking. There is however the ability for the town supply to feed both the dairy shed and stock drinking if needed. Only the town supply is currently metered.

**Water Use:** Town supply + surface water

**Water Meter:** Yes - town supply only

**IMAGES:**



**OPEN ACTIONS:**



## Install water meter

Long term to align with Good Farming Practice, all water should be measured (dairy shed + stock drinking) to enable any dairy shed efficiencies to be found and help identify leaks faster etc. This will also ensure TRC regulation is being met by taking less than 50m3/day.

**TARGET DATE: 1 Jan 2023**

 FARM MANAGEMENT

F3

## Infrastructure, storage, waste Overview

8

**DESCRIPTION:**

Stock feed is stored in a number areas on farm. PKE is stored in a covered implement shed near the dairy shed (well away from any waterways). Silage is either stored in individually wrapped bales (stored across farm for convenience) or stored as pit silage in a stack near the dairy (old silage bunker retired - see report below). Hay is stored in several hay barns around the farm.

No fertiliser is stored on farm

Waste is managed in a number of ways depending on the item. Plastic containers are triple rinsed and dropped off at Central Spraying through the AgRecovery programme. Silage wrap is collected in Plasback liners and dropped off at Hinton's Contracting. Deadstock are either collected by Taranaki By-products or via a local slink calf run. All other organic rubbish/waste is dumped in a rubbish hole and all other in-organic waste in a wheelie bin.

**Good Farming Practice:**

Farm waste is minimised and managed properly

Practices:

- \* Waste is recycled where possible
- \* Waste is contained and removed from farm where feasible
- \* Dead animals are sent off farm for processing or correctly disposed on-farm
- \* Pests are controlled

**Good Farming Practice:**

Water use for the dairy shed and stock water is efficient

Practices:

- \* Water wastage is minimised from the dairy shed
- \* All leaks are fixed as soon as possible
- \* Water troughs are checked daily where animals are grazing

**Good Farming Practice:**

Store, transport and distribute feed with minimal wastage, leachate and soil damage and leaching

Practices:

- \* Feed storage areas are located away from waterways
- \* Overland flow and rain water are diverted away from feed storage areas
- \* Silage is sufficiently wilted before being put into stack
- \* Silage remains sealed while stored to prevent rotting
- \* Permanent feed-out areas / facilities are sealed and effluent is collected

**IMAGES:**



8

OPEN ACTIONS:

✔ NO ACTION REQUIRED

FARM MANAGEMENT

F4 Silage Storage

IMPACT OF CONTAMINATION



+



LIKELIHOOD OF CONTAMINATION

=

MEDIUM RISK RATING

DESCRIPTION:

A silage pit is positioned on farm near a waterway. The farm has had trouble with spring/ground water entering the silage pit and when this combines with the silage it begins to form leachate. Last season the farm used an alternative silage stack and are looking to decommission the old pit for storing silage (other uses may be found e.g. machinery storage)

Leachate: Not contained

Sealed: Concrete

IMAGES:



OPEN ACTIONS:

## Decommission silage pit

Decommission old silage pit and use new silage stack near the cow shed. Ensure that silage is sufficiently wilted and kept covered in the stack to prevent leachate from forming. Also, try to divert rainwater/overland flow from this area where possible

**TARGET DATE: 1 Jan 2020**



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# LAND MANAGEMENT



L1 Land & Soil Overview

L2 Cropping

 LAND MANAGEMENT

# L1 Land & Soil Overview

**DESCRIPTION:**

Nearly all land of across the farm would be considered flat (under 7 degrees in slope) with minimal amounts of contoured land mainly around the riparian margins/waterways (No land would be considered LUC7e/8). According to TRC soils data the underlying soil type across the property is the Stratford fine sandy loam. This soil is a Allophanic ash soil deprived from volcanic eruptions and are characterised as free draining, moderately leached with a high P retention. There are also several man-made drains and sub-soil drainage that has been installed over the years with a vague knowledge of where some of these are. Re-fencing has also occurred along the aerodrome raceway to prevent & restore damage.

During the winter cows are split into smaller mobs and are managed in a number of ways. Firstly, 100 cows are wintered on an oats crop (5ha). Another 50 cows are wintered around the aerodrome paddocks which aren't a part of the dairy platform. The remaining cows are grazed on pasture and fed supplementary feed such as hay & silage etc. During the winter the farm plans to graze wetter paddocks earlier before conditions worsen but is generally fortunate with the land/contour in that there aren't many high-risk areas. Cows are shifted on early if heavy rainfall is predicted and stock are back fenced to reduce pugging. Cows are occasionally stood off on the cowshed yard overnight if weather is severe, but this generally only occurs about 5 times per year.

There is a significant amount of cropping that occurs on farm. Firstly, a 5ha winter oats crop is used for cows to graze during June/July on 48 hour breaks, this is direct drilled. The same land is then full cultivated and maize is planted, once this maize is harvested in the autumn the land returns to a permanent pasture through a strip tillage method. In addition to this 5.5ha of summer turnips are planted during the spring and cows graze for 2 hours during the drier summer months. Land then returns to a permanent pasture in the autumn. Paddock selection for cropping is based upon a number of criteria such as: poor performing paddocks, location to the cowshed etc.

Raceways on farm are all well designed and maintained regularly. Due to the contour of the farm there were no areas of concern from a sediment loss point of view. The only hotspot identified was the entry/exit race which is nibbed and effluent is directed towards a sump and into the effluent system.

**Good Farming Practice:**

Minimise losses of sediment and nutrient to water, and maintain soil structure

## Practices:

- \* Pugging and compaction of soils is avoided
- \* No tillage or low impact cultivation methods and timing are considered
- \* Supplement feed-out areas are located away from waterways
- \* Riparian margins or buffer strips are left beside waterways and other areas where sediment and nutrients may flow such as gullies or swales.

**Good Farming Practice:**

Manage grazing to minimise nutrient loss from risk areas

## Practices:

- \* More feed is offered in cold conditions when demand is high and utilization low
- \* Crops: --Long narrow breaks are offered rather than wide breaks --Crops are sown across slopes not up and down where practical

**Good Farming Practice:**

Reduce periods of bare soil between crops and pasture to reduce erosion and leaching

## Practices:

- \* Bare paddocks are re-sown as soon as practical
- \* Erosion damaged areas are rest and re-sown
- \* Compacted soils are subsoil, ripped or cultivated

**Good Farming Practice:**

Use appropriate paddocks for intensive grazing

## Practices:



\* Low risk paddocks are selected for intensive grazing that are ideally: --Further away from waterways --With soils least likely to pug and compact --Flatter with as few gullies and swales as possible

**Good Farming Practice:**

Retire all LUC 8 land and retire LUC 7e land or ensure that it has soil conservation measures in place

Practices:

\* Planting is done to protect areas from erosion when practical

**IMAGES:**



OPEN ACTIONS:

 **NO ACTION REQUIRED**

LAND MANAGEMENT

L2 Cropping

IMPACT OF CONTAMINATION



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LIKELIHOOD OF CONTAMINATION

=

LOW RISK RATING

DESCRIPTION:

Due to the amount of cropping that occurs on farm this could be a potential risk area if Good Farming Practice is not followed which could have significant adverse effects on the environment. Ensuring the following Good Farming Practices are followed will reduce the environment impact of cropping.

Slope: <15Degrees

IMAGES:



OPEN ACTIONS:

## Cropping management plan

- Identify/use paddocks with low risk of pugging, flat contour and are further away from waterways as possible
- Avoid areas that have critical source areas (swales/gullies) etc. If not possible try to leave these areas uncultivated/un-grazed to reduce/filter any runoff of sediment/nutrient
- Grazed paddocks strategically for top to bottom
- Retain a grass buffer zone along waterways where riparian margins are not present
- Graze towards the waterways and use portable troughs if needed.

**TARGET DATE:** Ongoing



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# EFFLUENT MANAGEMENT



E1 Effluent Overview

E2 Effluent Storage

E3 Stormwater Diversion

E4 Old cowshed ponds


**EFFLUENT MANAGEMENT**

## E1 Effluent Overview

**DESCRIPTION:**

The farm currently has resource consent to discharge treated farm dairy effluent from an oxidation pond treatment system into an unnamed tributary of the Piakau Stream in the Patea catchment and/or to discharge partially treated farm dairy effluent by oxidation ponds and spray irrigation onto and into land which is valid until Dec 2028. Although there is consent conditions to discharge to water the farm has stopped this practice and generally manages the first pond level and uses the second as a spill over if needed. The second pond outlet discharge has also been capped.

All effluent from the dairy shed & surrounding holding yards is nibbed and directed towards two sand traps at different locations on the yard. From their sediment/some solids are allowed to settle and the liquid effluent drains through to first holding pond. Liquid effluent is then stored in a clay lined effluent pond until conditions allow for it to be irrigated back to land. Effluent is pumped out via floating platoon and spreading back to land using a travelling irrigator. Sand trap cleanings are removed regularly and spread back to land immediately.

Parts of the cowshed yard have stormwater diversion which is mainly used during the winter time. The farm is looking to install a failsafe/reminder system for the stormwater system to ensure it gets changed back over once cows are back on the yard. All effluent applications are recorded (date & location) and put into the dairy diary. A failsafe system is installed on the irrigator which will cut the pump out when PSI gets too high or too low.

The entry/exit race has also been nibbed with concrete blocks along the edges to capture effluent and divert it towards a sump near the culvert crossing at the bottom. Effluent is then pumped back via a float switch to the first effluent pond.

Effluent has the ability to be applied to 21.3ha however there is approximately only 18ha that is used due to 'no go zones' that have been created due to the proximity of waterways on farm. At 17ha this is above the TRC minimum requirement of 15ha to achieve a maximum loading rate of 200kgN/ha. The soil type across the effluent area is Stratford fine sandy loam which is a low risk soil in terms of effluent irrigation and nearly all land within the 21ha would be under 7 degrees in slope.

**Good Farming Practice:**

Effluent system meets code of practice

## Practices:

- \* Effluent is collected from all sources: dairy sheds, yards, feeds pads, underpasses
- \* The system design is appropriate for the soil type, topography, and climate

**Good Farming Practice:**

Spreading equipment is well maintained and calibrated

## Practices:

- \* Effluent equipment is inspected and maintained regularly
- \* Effluent pumping equipment is routinely serviced

**Good Farming Practice:**

Sufficient suitable storage available

## Practices:

- \* Effluent is applied whenever possible to keep storage low
- \* Effluent solids that accumulate are routinely removed
- \* Safety barriers, equipment and signage are in place

**Good Farming Practice:**

Effluent applied at correct depth, rate and time

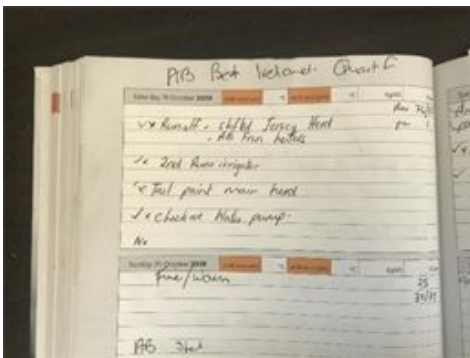
## Practices:

- \* Effluent application timing and rates are adjusted based on soil moisture levels
- \* Nutrient load is spread evenly across the largest area practical
- \* Tests for high potassium (K) levels on effluent block are done to avoid animal health issues



- \* Fertiliser applications are adjusted to effluent areas based on soil tests
- \* Risk areas for effluent application are identified and recorded on a map
- \* Odour impact is considered during application

IMAGES:





OPEN ACTIONS:

 **NO ACTION REQUIRED**

**EFFLUENT MANAGEMENT**

**E2 Effluent Storage**

IMPACT OF CONTAMINATION



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LIKELIHOOD OF CONTAMINATION

=

**MEDIUM RISK RATING**

**DESCRIPTION:**

An effluent storage calculation has been completed by accredited company Dairymaster Milking Systems NZ Ltd in March 2018. The current pond size will meet the storage requirements as per the DESC which means the farm is likely to use the current pond in place as there storage facility.

- Pond lining:** Clay
- Stormwater diversion:** Yes
- Pond Sealed (drop test):** No
- Dairy effluent storage calculator:** Yes
- Solids management:** Spread immediately

**IMAGES:**



**OPEN ACTIONS:**

Complete pond drop test
Long term you may be required to complete a pond drop test to ensure the pond is sealed and not leaking.
<b>TARGET DATE: 1 Jan 2023</b>

**EFFLUENT MANAGEMENT**

**E3 Stormwater Diversion**

**DESCRIPTION:**

The farm has a stormwater diversion (SWD) system in place which is only used during the winter for peace of mind and practically of getting the entire yard clean. There are benefits of using this during heavy rainfall events throughout the year however a system needs to be put in place that signals the SWD in use

**IMAGES:**



**OPEN ACTIONS:**

Stormwater diversion signal feature
Install a system/feature which indicates that SWD is being used and needs to be changed once cows are back on the yard. This could be done through a warning flag or reminder in/around the cowshed for staff to change it over.
<b>TARGET DATE:</b> Ongoing

**EFFLUENT MANAGEMENT**

**E4 Old cowshed ponds**

IMPACT OF CONTAMINATION



+



LIKELIHOOD OF CONTAMINATION

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**MEDIUM RISK RATING**

**DESCRIPTION:**

A resource consent is still in place on the old dairy shed (#41048) which gives consent to discharge to water via a pond oxidation system into the Kahouri stream. This is valid until Nov 2022 but after this date this consent may have to cease. This will have implications of still using the old dairy shed yard as a standoff facility

**IMAGES:**



**OPEN ACTIONS:**

**Decommission effluent ponds**

Once the consent expires either look to cap the outlet and apply the effluent back to land or cease the use of the dairy shed yard. If you do wish to stop using the effluent ponds the following guidelines for decommissioning ponds are below:

**Farm Dairy:**

As long as the farm dairy and yards have been washed down and no effluent remains, then any stormwater runoff from the yards can be safely diverted to a nearby paddock. If however, the concrete area is later used to feed/stand-off cattle then the effluent must again be captured and dealt with appropriately.

**Effluent Ponds:**

Effluent treatment or holding ponds will need to be completely pumped out – likely this will need to be done by a contractor due to the thicker effluent slurry that will be present at the base of the pond.

The ponds will likely need to be scraped out in order to remove effluent around the base of the pond, this can be tilled into a cropping paddock. Once the ponds have been cleaned out they can be filled in with clean fill or left to fill up with rainwater depending on what the farmer would like to do with them.

**TARGET DATE:** Ongoing



# WATERWAYS & BIODIVERSITY MANAGEMENT



- W1 Waterways & Biodiversity Overview
- W2 Riparian Management Unit
- W3 Key Feature
- W4 Key Feature
- W5 Key Feature

- Major Stock Excluded Waterway
- Major Stock Not Excluded Waterway
- Minor Stock Excluded Waterway
- Minor Stock Not Excluded Waterway
- ⊣ Compliant Crossing
- ⊣ Non-Compliant Crossing
- ⊣ Non-Compliant Non-Regular Crossing



Dispensation Crossing




**WATERWAYS & BIODIVERSITY MANAGEMENT**

W1

## Waterways & Biodiversity Overview

### DESCRIPTION:

There are numerous drains, streams/creeks etc across the farm that range in both size and significance. The two major rivers on farm are the Kahouri stream which runs through the southern end of the farm and the Piakau stream on the north eastern boundary. There are a few smaller waterways which are tributaries of these major waterways and other smaller man-made drains. All of these waterways have been incorporated into the Taranaki Regional Council Riparian management plan with the overall goal to stock exclude and plant (where needed) the riparian margins on farm.

The farm has been working towards a riparian management plan in conjunction with the Taranaki Regional Council. This has involved permanently fencing and planting (where needed) the riparian margins of all waterways on farm in a range of native & exotic plants which have been recommended by the TRC. The plan is now 95% completed with only a small amount of fencing and planting left to complete (see in report below). Setbacks on farm would be between 1-8m depending on the size of the waterway. There are also some areas on farm where pine trees are planted along the top of riparian margins.

There are several culverts and one bridge on farm. All of these are well constructed and designed to prevent run off/containments from entering the waterways. Most of these have a grass buffer/nibbed sides to prevent stormwater/containments from running off.

In terms of biodiversity there is a 0.7ha native bush block which is permanently fenced and protected. The TRC complete their self-help pest control programme on the property and results are showing that possum numbers are decreasing. Along with the riparian plantings there are a small amount of pine & exotic trees species planted throughout the farm.

#### Good Farming Practice:

Identify areas where runoff may occur and manage to avoid runoff entering waterways

##### Practices:

- \* Risk areas where surface runoff may enter waterways are identified
- \* A grass buffer strip or riparian plantings have been left between waterways and fences
- \* Bridges and culverts have raised sides or mounds to stop runoff entering waterway
- \* Where tracks are beside waterways, the track is sloped in the opposite direction to avoid effluent and sediment flowing into the waterway
- \* Track cut-outs are maintained to appropriately direct track runoff

#### Good Farming Practice:

Tracks, feed areas, gateways and troughs are located away from waterways

##### Practices:

- \* Tracks are located away from waterways where practical
- \* Supplement is fed out away from waterways
- \* Water troughs are located away from waterways in a dry area of paddocks
- \* Gateways are in a dry point and are wide enough for good cow flow to reduce pugging

#### Good Farming Practice:

Stock are excluded from waterways

##### Practices:

- \* All permanently flowing waterways (including wetlands) are fenced
- \* All regular stock crossings are bridged or culverted
- \* Any temporary streams are temporarily fenced if grazing while water is flowing
- \* A riparian management plan has been developed (include any plantings)
- \* Drains are well managed

**Good Farming Practice:**

Areas of native plants or significant biodiversity are protected

Practices:

- \* Areas are identified on the farm map
- \* Stock are fenced out of the area
- \* Weeds are controlled within the area
- \* Animal pests are trapped or poisoned

**IMAGES:**



**OPEN ACTIONS:**

✓ NO ACTION REQUIRED

## W2 Riparian Management Unit

**DESCRIPTION:**

The farm has been working towards a riparian management plan in conjunction with the Taranaki Regional Council for over 10 years. This is now near completion (95% completed) with only a small amount of fencing and planting left to complete on the plan. The key features shown on the map are areas left to fence and plant and photos are also shown below. This season the farm plans to do its last lot of mass planting and from there on only patch up/spot planting will be required.

<b>Fencing status:</b>	Permanently Fenced
<b>Waterway type:</b>	Stream/Creek
<b>Vegetation status:</b>	Mixed Exotic/Native
<b>Planting progress:</b>	95%
<b>Planting completion date:</b>	Dec 2020
<b>Riparian Management Plan:</b>	Yes

**IMAGES:**





**OPEN ACTIONS:**

Complete TRC riparian plan
Complete the remaining riparian management plan work by Dec 2020 when it likely to become regulation. Seek a completion certificate from them once this is completed.
<b>TARGET DATE:</b> Ongoing





# NUTRIENT MANAGEMENT



8

N1 Nutrient Overview

 NUTRIENT MANAGEMENT

N1

## Nutrient Overview

8

### DESCRIPTION:

Farm Dairy Records have been provided over the past 3 seasons which has allowed an Overseer nutrient budget and Nitrogen risk scorecard to be developed.

Nitrogen leaching for the 1718 season was 72kgN/ha/year which was a significant decrease from the 1617 season of 92kgN/ha/year. Nitrogen conversion efficiency for the 1718 season was 24% which is just below industry benchmark of 25-35% however the long-term climate data overseer uses wouldn't of taken into account the unfavourable season 1718 was.

The nitrogen risk scorecard for the 1819 season identified nitrogen fertiliser as the main risk on farm and categorised it as a medium risk due to 144kgN/ha being applied and applications occurring in the months of Jul-Aug and at rates above 25kgN/ha. All other nitrogen risks on farm were either in the very low/low category.

In conjunction with Massey University the farm has been trailing a new management tool of undertaking soil testing from aerial vision. This has meant numerous paddock soil testing has occurred along with different application rates of fertiliser for individual paddocks from those results. This has ensured that plant demand is matched to a high level of detail from the results shown. Latest individual paddock soil test results indicated Olsen P levels between 23-35 and the fertiliser plan/recommendation is to bring levels to optimum.

Nitrogen fertiliser policy is around 150kgN/ha/year. This is generally applied in the form of urea & DAP. Rates vary throughout the season but are typically between 25-35kgN/ha at approximately 4-5 applications throughout the season. Soil temperature and weather forecast are checked before fertiliser is applied and buffer zones around waterways are maintained. External contractors 'Corletts' are used to apply fertiliser and use Hawkeye (proof of placement) which are provided once fertiliser is applied.

#### Good Farming Practice:

Fertiliser application matches plant requirements and minimises losses

##### Practices:

- \* All fertiliser applications are recorded -- product, rate, date, location (If a contractor is used the information is gathered from them)
- \* Soil temperature and moisture levels are assessed before applying fertiliser (i.e. avoid winter months)
- \* Fertiliser applications are avoided: --When heavy rainfall is forecast and runoff is likely --Close to waterways
- \* N is applied little and often and when pasture is actively growing
- \* Pasture or crop growth and feed requirements are assessed before applying N

#### Good Farming Practice:

Monitor and maintain P levels at the economic optimum

##### Practices:

- \* Olsen P trends continue to be monitored over successive years
- \* Olsen P is maintained in the optimum range
- \* Fertiliser applications are tailored for different management blocks

#### Good Farming Practice:

General nutrient management

##### Practices:

- \* Soil-testing is done each year for each different management block
- \* Soil-testing is done well before crops are planted to identify nutrient levels
- \* A nutrient budget is used to help fertiliser decision making
- \* Supply farm nutrient information to your milk company at the end of each season

**Good Farming Practice:**

Fertiliser spreading equipment is well maintained and calibrated

**Practices:**

- \* Paddocks are checked for paddock stripes after spreading
- \* Contractors are Spreadmark accredited

**IMAGES:**

**NITROGEN RISK SCORECARD**  
2018 / 19 SEASON  
FARM NUMBER: 41047

**TIAKI**  
FARM SOURCE SUSTAINABLE DAIRYING

**DISCLAIMER**  
This report shows the total nitrogen load (tonnes) on your farm Dairy Record. It is not an Overseas Forest Health Report and does not indicate an amount of nitrogen loss from your farm. Rather it provides an objective assessment as to the level of nitrogen loss. An amount of 100 does not necessarily mean that there will be critical elevated nitrogen loss.

Key Information	Your Farm	Wind Average
Effective dairy farm area	120 ha	701 ha
Cows retained	206	206
Heaving rate	2.9	2.7
Milk solids produced	101,464 kgMS	102,877 kgMS
Total kilograms of nitrogen applied per hectare across effective farm area	144 kgN/ha	112 kgN/ha
Supplementary feed fed from storage or brought onto farm dry weight	288 t	128 t

**YOUR FARM'S NITROGEN RISKS**

- STOCK MANAGEMENT: Low
- NITROGEN FERTILISER: Medium
- IMPORTED FEED: Low
- CROPPING & CULTIVATION: Low
- EFFLUENT MANAGEMENT: Very Low
- IRRIGATION: Very Low

**YOUR FARM'S PURCHASED NITROGEN SURPLUS**

**116**

Purchased Nitrogen Surplus reflects the relationship between the amount of nitrogen entering your farming system through fertiliser and feed, against the amount leaving the farm as product. A high number indicates you may not be using purchased nitrogen efficiently and therefore more nitrogen may be lost to the environment.

**Sustainable Dairying 2018/19**  
Farm: (41047)  
Submission Type: Nitrogen Risk Scorecard  
User: Fiona Hogan-Riddick (337662)

**ARL Analytical Research Laboratories**  
880 Waiwanga Road, Phone: 0800 122 880  
Auckland, Fax: (09) 638 8223  
PO Box 985, Email: arl@arl.co.nz  
Napier 4102, Website: www.arl.co.nz

Customer No: 1022217  
Sampled Date: 07/08/2019  
Report Issued: 09/08/2019  
Sample Received: 26/08/2019  
Order Number: 8801266  
SIT: 000016

**SOIL ANALYSIS**

Lab Number	Sample Name	Depth	Moisture	pH	EC	Ca	Mg	K	N	P	S	Zn	Cu	Mn	B	Cl	Na	NO <sub>3</sub> -N
1021901	JK	15	8.9	8.1	3	12	5	5	27	24	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1
1021902	JK	15	9.5	7.4	3	7	4	4	26	23	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1
1021903	JK	15	8.5	7.4	3	14	6	5	27	23	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1
1021904	JK	15	8.5	7.4	3	14	6	5	27	23	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1
1021905	JK	15	8.5	7.4	3	14	6	5	27	23	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1
1021906	JK	15	8.5	7.4	3	14	6	5	27	23	10	1.2	0.1	0.1	0.1	0.1	0.1	0.1

**Soil Analysis Summary**

Lab Number	Sample Name	Depth	Moisture	pH	EC	Ca	Mg	K	N	P	S	Zn	Cu	Mn	B	Cl	Na	NO <sub>3</sub> -N
1021901	JK	15	2.07	7.9	3.7	8.95	0.28	0.08	20.9	3.7	2.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1021902	JK	15	2.06	7.6	2.7	6.47	0.25	0.04	16.3	2.6	1.8	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1021903	JK	15	2.08	7.6	3.6	8.98	0.28	0.17	20.3	4.9	3.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1021904	JK	15	2.07	7.7	3.8	8.84	0.27	0.11	22.9	3.7	3.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1021905	JK	15	2.05	7.7	2.5	5.45	0.22	0.14	9.8	3.5	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1021906	JK	15	2.08	7.6	3.2	8.22	0.24	0.09	20.0	3.2	1.9	0.1	0.1	0.1	0.1	0.1	0.1	0.1

**ANZ**  
ANZ is a registered provider of analytical services under the Environmental Protection Act 2002.

**Key to Results:**  
\* The report applies to samples as submitted by the customer.  
\* Results are expressed on a dry weight basis.  
\* Quantities of nutrients used and deposited onto land are provided on request.  
\* Unless your submission is given in writing, this statement may only be reproduced in full.  
\* NPK - Samples submitted for mixed analysis. NPK - Results in tonnes. NPK - Quick test only.

Page 1 of 4



OPEN ACTIONS:

 **NO ACTION REQUIRED**



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# THANK YOU

**DISCLAIMER:**

\*Provision of advice in relation to effluent storage, effluent irrigation systems and the management of other environmental risk areas on farm.

The advice that Fonterra Co-operative Group Ltd (Fonterra, we, us) provides to farmers in relation to effluent storage capacity and other environmental compliance practices, including mitigation actions described in Farm Environment Plans, is based on the information and assumptions that farmers and their agents have provided to us and on our knowledge and understanding of current best practice in the industry. Fonterra does not purport to replace sound engineering or other professional advice and as such we strongly encourage farmers to seek independent expert advice before any construction, upgrades, or other change to your on farm practices. Farmers are ultimately responsible for the environmental compliance of their farm and on farm practices. Fonterra gives no warranties (express or implied) and, to the maximum extent permissible by law, excludes all liability in contract or tort (including, without limitation, liability for negligence) or otherwise in relation to the advice provided.

## SUMMARY OF ESSENTIAL FRESHWATER PACKAGE OUTCOMES

Farms impacted	Proposal	Outcome	Details
All	All farmers and growers to have a farm plan to manage risks to freshwater (phased in over next 5 years)	<p>Mandatory and enforceable FW-FPs (freshwater farm plans)</p> <p>Process for auditing and requirements for reporting progress to regional council to be determined</p> <p>Completion over a longer timeframe (date still to be agreed)</p>	<p>All farms have a farm plan with freshwater module (i.e. FW-FP), including farm map, identifying features, risk assessment, schedule of actions</p> <p>Commencing in priority catchments</p> <p>Existing industry plans are recognised if standards are met</p> <p>Aligns with our Dairy Tomorrow sector strategy</p>
	Standards for intensive winter grazing within 6 months	<p>New consenting thresholds for intensive winter grazing with a consent required under the following circumstances: activity occurs over 50ha or 10 percent of the property, whichever is the greater, and where it occurs on slopes 10 degrees or steeper</p> <p>Winter grazing would be a permitted activity if all conditions/ thresholds are met</p>	<p>Regulations will come into effect from winter 2021</p> <p>From winter 2021, if you want to plant above these thresholds or exceed the practice standards, you will need to get a resource consent</p> <p>Pugging is to be no deeper than 20cm and cover less than 50 percent of the paddock</p>
	Standards for stock holding areas (feed pads, winter pads, standoff pads, loafing pads)	Required to apply for a resource consent from mid-2021 if not meeting minimum standards	<p>Minimum standards for stock-holding areas:</p> <ul style="list-style-type: none"> <li>manage the permeability of the base area so that it is sealed to a minimum permeability standard of 10-9 metres per second</li> <li>collect, store and dispose of effluent in accordance with regional council regulations or a current discharge permit</li> <li>situate the stock-holding area at least 50m away from waterbodies, water abstraction bores, drainage ditches and coastal marine areas.</li> </ul>
	Stock exclusion	<p>All dairy cattle (except dairy support cattle) and pigs must be excluded from lakes and rivers more than a metre wide (bank-to-bank) by 1 July 2023, regardless of land slope</p> <p>Existing permanent fences will not need to move to comply with riparian setback requirements</p> <p>Riparian setback reduced from an average of five metres to a minimum of three metres</p>	<p>Exclusion with 3m minimum by 2023 for existing dairy and other landuse regardless of slope</p> <p>All dairy support cattle must be excluded from lakes and rivers more than a metre wide (bank-to-bank) by 1 July 2025, regardless of land slope</p> <p>All cattle and deer must be excluded from lakes and rivers more than a metre wide (bank-to-bank) where land is used for fodder-cropping, break-feeding or grazing on irrigated pasture by 1 July 2023, regardless of land slope</p>

Farms impacted	Proposal	Outcome	Details
<b>All</b>	Stock exclusion	<p>The primary sector, iwi/Maōri, local government and their communities will be supported in implementing the package through the investment of more than \$700 million from Budget 2020 for predominately freshwater-related activity.</p> <p>Small (non-accord) waterways addressed through farm environment plan</p>	<p>Wetlands already identified in a regional or district plan must have cattle, deer, and pigs excluded by 1 July 2023</p> <p>FW-FPs and regional rules may, however, contain more stringent requirements – and consideration will be given in FW-FPs as to whether existing permanent fences will be required to move over time</p> <p>Funding will be used to support actions like installing mini wetlands, removing sediment, riparian planting, helping farmers with stock exclusion and developing farm plans, stabilising riverbanks and providing for fish passage</p>
<b>Many farms</b>	New bottom line for instream nitrogen and phosphorus for ecosystem health (where instream concentrations exceed the standard, including parts of Southland, Canterbury, Waikato)	<p>Dissolved inorganic nitrogen (DIN) bottom line to be reassessed in 12 months but DIN levels will still have to be maintained or improved and increasing oversight of councils' implementation of requirements</p> <p>Dissolved reactive phosphorus (DRP) target removed</p> <p>Reducing the nitrogen toxicity attributes and bottom lines to provide protection for 95% of species (up from 80%) – from 6.9 to 2.4 g/m<sup>3</sup></p>	<p>Practically, the proposed DIN-nitrate standard has moved from 1 to 2.4g/m<sup>3</sup>.</p> <p>Timeframes to meet water quality outcomes can occur over a generation (definition of a generation determined through regional policy processes to be notified by 2024s)</p> <p>Majority of streams in dairy catchments have nitrate concentrations below 2.4 g/m<sup>3</sup> - estimated that approx. 7 percent of dairy farmers nationally exceed this, with Canterbury, Southland and Waikato most affected, but the total number of impacted farmers is significantly less than the standard initially proposed.</p> <p>Requirement to at least maintain current state concentrations of instream dissolved phosphorus.</p>

Farms impacted	Proposal	Outcome	Details
<b>Many farms</b>	New attributes	<p>The new NPS-FM sets out 22 attributes, some new ones in addition to those in the existing NPS-FM. These include:</p> <ul style="list-style-type: none"> <li>• the amount of periphyton or slime (an indicator of excessive nutrients)</li> <li>• nitrogen toxicity</li> <li>• sediment</li> <li>• fish and macroinvertebrate numbers</li> <li>• plants and algae</li> <li>• the presence of potentially toxic algae and faecal bacteria</li> </ul>	<p>Most of the attributes have minimum acceptable states, or bottom lines. Regional councils will have to plan to reduce sediment runoff, and higher health standards at swimming spots</p> <p>DairyNZ is still working through the detail and the implications for dairy farmers</p>
<b>Some farms</b>	No further intensification from June 2020	Interim controls in place until Dec 2024 (when councils must comply with new NPS-FM rules). Interim intensification controls will include a 2024 sunset clause, and greater flexibility in catchments that create headroom	This means resource consents are needed to: increase the area under irrigation, change land use to dairy, change land use from forestry or woody vegetation to pastoral farming, increase forage cropping above the highest annual amount in the previous farm years, increase dairy support activities above the highest annual amount in the previous farm years, expand intensive winter grazing or dairy support activities above historical levels
	Immediate action to reduce nitrogen loss	Establishing a cap on the use of synthetic nitrogen fertiliser set initially at 190 kgs/ha/year with a review required by 2023	From July 2021, all dairy farmers will need to record the tonnages of all synthetic nitrogen fertiliser applied and the area it was applied to. You will then have to report to your regional council on the amount used in the year ending 30 June 2022

# DECISION REPORT



**TO:** Farm and Aerodrome Committee

F16/1302- D20/10275

**FROM:** Property Officer

**DATE:** 16 June 2020

**SUBJECT: RISK REGISTER**

## **RECOMMENDATIONS**

1. THAT the report be received
2. THAT the Farm Risk Register be approved and adopted.

## **Recommended Reason**

Identification of the risks in the Risk Register is necessary to monitor and manage the farm and aerodrome overall risks for continued service delivery at these facilities.

\_\_\_\_\_  
Moved/Seconded

## 1. **PURPOSE OF REPORT**

The purpose of this report is to seek the committee's approval and adoption of the Farm Risk Register.

## 2. **EXECUTIVE SUMMARY**

- 2.1 The Farm and Aerodrome are 2 of the many key assets managed by Council for the benefit of the community.
- 2.2 The Risk Register attached identifies the key risks that must be managed and minimised to ensure minimal disruption to activities at the Farm. The Committee will have the opportunity to monitor these risks quarterly at the Farm and Aerodrome meetings. The Aerodrome Risk Register will be brought before the Committee at the next meeting.



3. **LOCAL GOVERNMENT ACT 2002 - SECTION 10**

How is this proposal applicable to the purpose of the Act?

- Is it for the provision of good quality local infrastructure? If so, why?; **OR**
- Is it for the performance of a good quality regulatory function? If so, why?; **OR**
- Is it for the performance of a good quality local public service?

**AND**

- Is it in a way that is most cost-effective to businesses and households? If so, why?

**Good quality** means, infrastructure, services, and performance that are efficient and effective, and appropriate to present and anticipated future circumstances.

**Local public service** means, a service provided for the community which is for the benefit of the District.

An operational Risk Register is for the provision of good quality local infrastructure and for the performance of a good quality local public service.

4. **BACKGROUND**

- 4.1 The Farm is an asset that the council operates with the benefit of providing some rate relief to ratepayers.
- 4.2 The farm is operated under a ShareMilking Agreement, the first of which was entered into in 1938. Buildings on the farm comprise of two milking sheds (one disused), three implement sheds; two residential dwellings for the Sharemilkers and his full-time worker, a relocatable unit for a seasonal worker, three calf rearing shelters and two hay barns. The operational cowshed is serviced by two effluent ponds from which over 20 hectares of paddocks are irrigated
- 4.3 The Stratford Aerodrome (Figure 1) is an unmanned aerodrome facility owned by the Council. It is designated for “Aerodrome Purposes” under the District Plan and recorded in the Civil Aviation – Aeronautical Information Publication (AIP) as a *Non-Certified* Aerodrome. Under this non-certification status, the Council’s responsibility is to ‘*establish procedures to ensure that aircraft movements are restricted or prohibited on parts of the aerodrome where an unsafe condition exists*’. The Council is not responsible for the built structures apart from the single public toilet.
- 4.4 The users include Recreational aviation aircraft - gliding, light powered aircraft, micro-light aircraft and sports aircraft, model and miniature aircraft; Agricultural aviation operators and Visiting light aircraft and helicopters. The runways and essential drainage systems are subject to regular inspections by Council’s maintenance contractors and remedial work carried out as required.



Figure 1: The Stratford Aerodrome

- 4.5 A Risk Register is a tool for documenting risks, and actions to manage each risk. The Risk Register is essential to the successful management of risk. As risks are identified they are logged on the register and actions are taken to respond to the risk.
- 4.6 The Farm Risk Register has been set up to ensure that there is a record of risks and an identification of the controls necessary to manage those risks at the Farm. This register will be a useful tool for this Committee, the Sharemilkers and Council staff, to ensure that the level of service provision is maintain.
- 4.7 It is expected that the Risk Register will be regularly reviewed and maintained by Council Officers and Sharemilkers (for the Farm) and monitored by the Committee on a quarterly basis. Any changes proposed as a result of this regular review will be brought to the Committee for approval.
- 4.9 The recommendation is that the Committee approves the Risk Register as a living document.

5. **CONSULTATIVE PROCESS**

5.1 **Public Consultation - Section 82**

There is no public consultation required

5.2 **Maori Consultation - Section 81**

There is no specific Maori consultation required

6. **RISK ANALYSIS**

Please refer to the Consequence and Impact Guidelines at the front of the reports in this agenda.

- Is there a:
  - financial risk;
  - human resources risk;
  - political risks; or
  - other potential risk?
- If there is a risk, consider the probability/likelihood of it occurring.
- Is there a legal opinion needed?

6.1 The risk of not adopting the Risk Register is that Council is not able to minimise disruption to activities at both the farm, and this could have financial, safety, political or other implications.

7. **DECISION MAKING PROCESS - SECTION 79**

7.1 **Direction**

	<b>Explain</b>
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	The recommendations are consistent with the "Aerodrome and Farm" components of the Long Term Plan 2018-2028 and provide a consistent approach to ensure plans around asset management reflects the strategic direction
What relationship does it have to the communities' current and future needs for infrastructure, regulatory functions, or local public services?	Asset protection – ensure that the farm and aerodrome meet Councils Level of Service with Council requirements.

7.2 **Data**

- Do we have complete data, and relevant statistics, on the proposal(s)?
- Do we have reasonably reliable data on the proposals?
- What assumptions have had to be built in?

The Risk Register is based on requirements from:

- The Taranaki Regional Council;
- Fonterra Limited;
- Ministry of Primary Industries; and
- Civil Aviation Authority.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council’s Significance Policy, is this proposal of high, medium, or low significance?		
<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
		✓

7.4 **Options**

- An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.
1. What options are available?
  2. For **each** option:
    - explain what the costs and benefits of each option are in terms of the present and future needs of the district;
    - outline if there are any sustainability issues; and
    - explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions?
  3. After completing these, consider which option you wish to recommend to Council, and explain:
    - how this option is the most cost effective option for households and businesses;
    - if there are any trade-offs; and
    - what interdependencies exist.

There are 2 options before this Committee:

**Option 1:** Adopt Risk Register, with or without amendments;

**Option 2:** Decline to adopt the Risk Register.

The preferred recommendation is Option 1, for the reasons discussed in this report.

#### 7.5 **Financial**

- |  |
|--|
| <ul style="list-style-type: none"><li>• Is there an impact on funding and debt levels?</li><li>• Will work be undertaken within the current budget?</li><li>• What budget has expenditure come from?</li><li>• How will the proposal be funded? eg. rates, reserves, grants etc.</li></ul> |
|--|

There is are no immediate financial implication, however, the identification and the management of risks will enable the Committee and Council Officers to better understand the financial implications of:

- The identified risks, prior to application of control measures;
- The control measures; and
- The residual risks following the application of the control measures.

#### 7.6 **Prioritisation & Trade-off**

Have you taken into consideration the:
--

- |   |
|---|
| <ul style="list-style-type: none"><li>• Council's capacity to deliver;</li><li>• contractor's capacity to deliver; and</li><li>• consequence of deferral?</li></ul> |
|---|

- The Committee, Council Staff and the Sharemilkers are able to deliver on the requirements of the Risk Register;
- Adopting the Risk Register will provide an operational tool for cost effective management of both facilities

#### 7.7 **Legal Issues**

- |  |
|--|
| <ul style="list-style-type: none"><li>• Is there a legal opinion needed?</li><li>• Are there legal issues?</li></ul> |
|--|

There are no legal issues.

7.8 **Policy Issues - Section 80**

- |   |
|---|
| <ul style="list-style-type: none"><li>• Are there any policy issues?</li><li>• Does your recommendation conflict with Council Policies?</li></ul> |
|---|

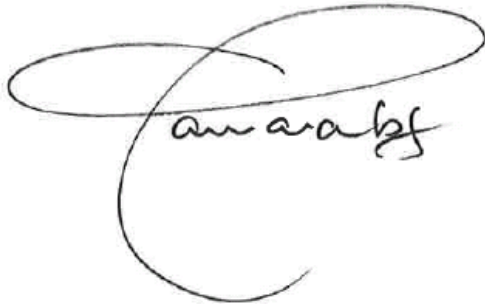
There are no policy issues.

**Attachments:**

**Appendix 1 – Farm Risk Register**



Tracy Hinton  
**PROPERTY OFFICER**



[Endorsed by]  
Victoria Araba  
**DIRECTOR - ASSETS**



[Approved by]  
Sven Hanne  
**CHIEF EXECUTIVE**

**DATE**

**APPENDIX 1**

**Farm Risk Register**

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
Operational	Infectious Disease/ Biosecurity Risk and Pandemic	<ul style="list-style-type: none"> <li>• If there is a threat to animals on farm through disease, this will affect the wellbeing of all stock on farm.</li> <li>• Given the current Sharemilkers have a run-off this will also limit stock from outside the farm coming onto the dairy farm.</li> </ul>	Medium to High	<ul style="list-style-type: none"> <li>• Take a proactive approach to any known threats to protect the farm and develop a plan to deal with this threat, in discussion with the Fonterra and the Bank;</li> <li>• Prepare and maintain a Business Continuity Plan.</li> <li>• Have a Movement Plan between the Sharemilkers runoff farm and the Council’s farm to eliminate any infection due to movement between farms.</li> <li>• Limit movement of stock, people and machinery on/off farm.</li> <li>• Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat.</li> <li>• Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - <a href="https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/">https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/</a></li> </ul>	Medium to Low

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
Financial	Low Pay-out	<ul style="list-style-type: none"> <li>• Low pay-out can and will cause financial stress on farm if not handled correctly.</li> <li>• Financial pressure can cause the farm to run on maintenance only.</li> </ul>	Low - Medium	<ul style="list-style-type: none"> <li>• Work with the bank/accountant to set up a budget. A low pay-out can cause the farm to only run on minimal operations and very low costs. For example Maintenance fertiliser only. Only things that need to be done to keep the farm running will be done.</li> <li>• Select correct options for current financial climate and low pay-out.</li> </ul>	Low
Environmental	Natural Disaster	<ul style="list-style-type: none"> <li>• Weather, Eruption, Earthquakes any of these can affect the farm.</li> <li>• Any of these disasters can cause major damage to farm buildings and infrastructure.</li> <li>• Loss of income also will come into effect.</li> </ul>	Low - Medium	<ul style="list-style-type: none"> <li>• Prepare and maintain a Natural Disaster Management Plan.</li> <li>• Communicate to the regional /district Civil Defence Authority;</li> <li>• Prepare and maintain a Business Continuity Plan.</li> <li>• Have an up-to-date Business Interruption Insurance.</li> <li>• Secure an alternative power source e.g. generator that is available when required.</li> <li>• Work with Sharemilkers to ensure that they are aware of their responsibilities.</li> <li>• Ensure industry best practice is followed.</li> </ul>	Low
Reputational and Conduct	Reputational Damage	<ul style="list-style-type: none"> <li>• Reputational damage to Council can occur as a result of:                             <ul style="list-style-type: none"> <li>○ Lack of operational transparency;</li> <li>○ Poor Management;</li> <li>○ Environmental damage;</li> <li>○ Non-compliance</li> </ul> </li> <li>• Reputational damage could lead to hefty fines which may cause ratepayers and the public losing faith in the council-run farm.</li> <li>• Change of Government Policy or Legislative change can also have consequences to the reputation of the farm and the council also.</li> </ul>	High	<ul style="list-style-type: none"> <li>• Continually working with TRC to ensure that:                             <ul style="list-style-type: none"> <li>○ the farm complies with TRC Best On-farm practise;</li> <li>○ the farm complies with Fonterra requirements in terms of supply;</li> <li>○ All records are kept up to date on a regular basis.</li> </ul> </li> <li>• Ensure transparent decisions are made at all times;</li> <li>• Consistently keep all involved in the farm up to date and well informed of any changes to rules and regulations.</li> <li>• Review contract with Sharemilkers every three years to ensure everyone is on same page</li> </ul>	Medium



Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
Operational	Aerodrome	<ul style="list-style-type: none"> <li>Cows on runway</li> </ul>	Medium to High	<ul style="list-style-type: none"> <li>Prepare and maintain a clear set of rules for both the Aerodrome users and the Council farms Sharemilkers and employees</li> </ul>	Low
Health and Safety and Wellbeing	Health and Safety	<ul style="list-style-type: none"> <li>Lone worker - If a staff member is seriously injured or killed on farm, then possible health and safety breaches, death or serious injury.</li> </ul>	Low-Medium	<ul style="list-style-type: none"> <li>Work with the Sharemilkers to ensure that they have quality training and are aware of their responsibilities.</li> <li>Ensure contract is updated in accordance with Health and Safety regulation and best on-farm practices;</li> <li>Ensure that there are processes and measure in place to ensure that a lone worker is safe and can communicate effective in emergency and be reached promptly.</li> </ul>	Low

# QUARTERLY REPORT



**TO:** Farm and Aerodrome Committee

F16/1302 – D20/10305

**FROM:** Property Officer

**DATE:** 16 June 2020

**SUBJECT: FARM AND AERODROME BUSINESS REPORT**

## **RECOMMENDATION**

THAT the report be received.

## **Recommended Reason**

This report provides the first quarterly update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.

\_\_\_\_\_  
Moved/Seconded

## 1. **PURPOSE OF REPORT**

The purpose of this report is to provide an update of the Farm and Aerodrome activities to the Committee.

## 2. **EXECUTIVE SUMMARY**

- 2.1 This report provides information on the current position of the Farm and Aerodrome.
- 2.2 It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.

3. **LOCAL GOVERNMENT ACT 2002: SECTION 10**

How is the subject of this report applicable to the purpose of the Act?

- Is it for the provision of good quality local infrastructure? If so, why?; **OR**
- Is it for the performance of a good quality regulatory function? If so, why?; **OR**
- Is it for the performance of a good quality local public service?

**AND**

- Is it in a way that is most cost-effective to businesses and households? If so, why?

**Good quality** means, infrastructure, services, and performance that are efficient and effective, and appropriate to present and anticipated future circumstances.

**Local public service** means, a service provided for the community which is for the benefit of the District.

It supports the provision of good quality local infrastructure and the performance of a good quality local public service.

4. **INFORMATION SUMMARY**

4.1 **Farm Information**

- 4.1.1 The Flint Road Farm has achieved its best ever production in 2019/2020 year with 154,177 kg Milksolids (kg/ms) compared to 151,464 kg/ms 2018/2019 season (see Figure 1).
- 4.1.2 This was done with fewer cows than the previous years with a total of 370 milked throughout the year. Even with less cows, the farm was able to reach top production - less cows, more grass, more milk produced.
- 4.1.3 The Taranaki Regional Council (TRC) is encouraging all Taranaki Dairy Farmers to fence and undertake riparian planting on all waterways on their farms. We have set a Key Performance Indicator (KPI) of 100%, for the Riparian Planting programme, to be completed by the end of 2021, which includes fencing and planting. To date the project is sitting at Fencing 95% and the plantings at 95%.
- 4.1.4 We have requested 3 quotes from local contractors to construct a new loading ramp at the Flint Road Farm. Our projection is to have this ramp completed by 31<sup>st</sup> October 2020.
- 4.1.5 Due to the reflection on the international market the Fonterra milk Price payout looks to be around the \$5.50 per kg/ms, as opposed to \$7.20 which is the forecast for the 2019/2020 season.

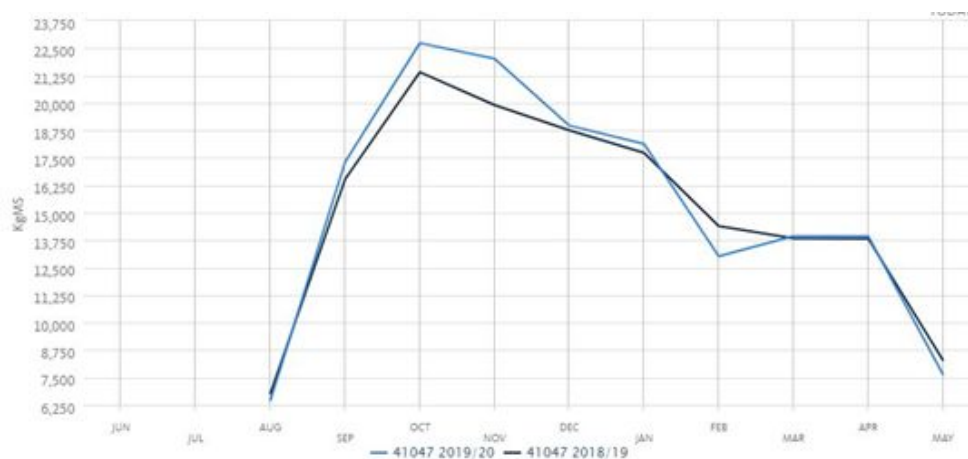


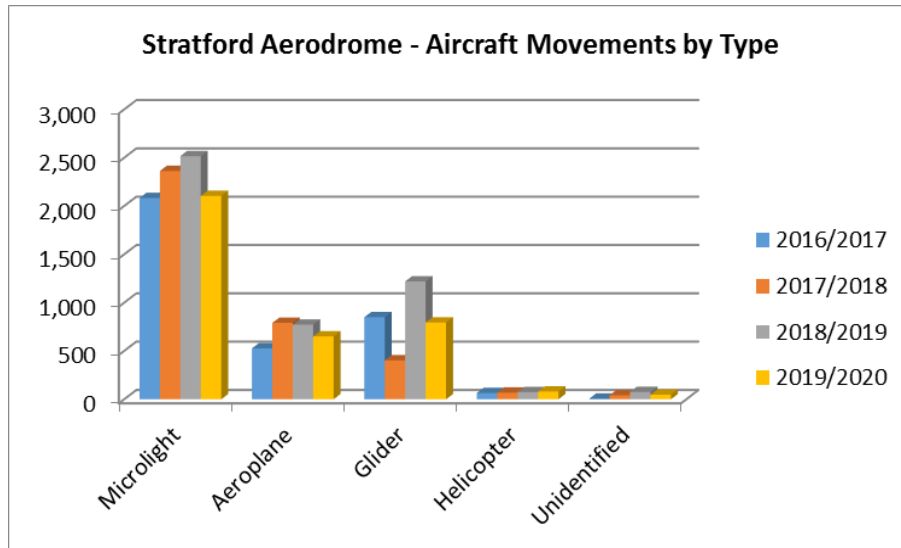
Figure 1: Milk Solids Production from 2018/2019 and 2019/2020

#### 4.2 Aerodrome Information

- 4.2.1 With Covid-19, the number of aerodrome users has dropped dramatically from **399** in March to **64** in May. This includes light planes, microlights and unidentified aircraft.
- 4.2.2 In order to gauge how Aerodrome Members rate the aerodrome at the moment, a Customer Satisfaction Survey has been sent out to capture their thoughts on how the aerodrome is being run. We still await feedback from this survey.
- 4.2.3 A summary of the Aerodrome Aircraft Movement – by Type – is provided below:

Table 1: Aircraft Movements by Type

Month	2016/2017	2017/2018	2018/2019	2019/2020
July		72	124	459
August		111	227	257
September		34	189	236
October	275	234	433	646
November	266	389	251	493
December	772	295	493	333
January	917	173	467	526
February	428	405	627	279
March	62	751	548	399
April	219	558	175	64
May	253	337	485	
June	332	308	551	



5. **STRATEGIC ALIGNMENT**

5.1 **Direction**

As this is the Committee’s first meeting, Council Officers are looking for governance direction from the Committee, going forward. Council Officers propose that future workshops will be beneficial to develop a “Game plan” for the future.

5.2 **Annual Plan and Long Term Plan**

This report supports the Farm and Aerodrome activities as indicated in the Annual Plan and Long Term Plan.

5.3 **District Plan**

There are no implications that would affect the proposed District Plan.

5.4 **Legal Implications**

There are no legal implications concerning the report.

5.5 **Policy Implications**

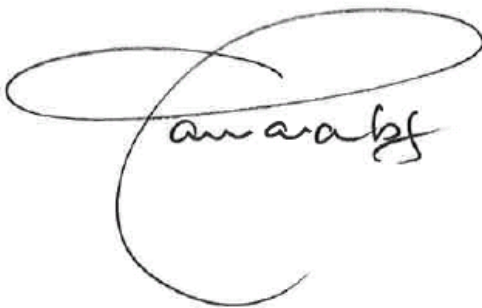
There are no policy implications concerning the report.

**Attachments:**

**Appendix 1 – Farm Work Programme**



Tracy Hinton  
**PROPERTY OFFICER - ASSETS**



[Approved by]

Victoria Araba  
**DIRECTOR – ASSETS**



Sven Hanne  
**CHIEF EXECUTIVE**

**DATE** 9 June 2020

## APPENDIX 1

### Farm Work Programme

2020	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly Meetings												
Fertiliser Application												
Riparian Planting												
Calving												
Drying off												
Sowing crops												
Land closed up												
Soil testing												
Discharge Permit due TRC												

# QUARTERLY REPORT



F16/1302 – D20/10629

**TO:** Farm and Aerodrome Committee  
**FROM:** Property Officer  
**DATE:** 16 June 2020  
**SUBJECT: HEALTH AND SAFETY UPDATE**

## **RECOMMENDATION**

THAT the report be received.

\_\_\_\_\_  
Moved/Seconded

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## 1 **PURPOSE OF REPORT**

The purpose of this report is to provide to this committee the Health and Safety update for the period between March and May 2020.

## 2 **HIGHLIGHTS**

- 2.1 There were no recorded incidents affecting staff at the Council Farm.
- 2.2 There were no recorded incidents at the Stratford Aerodrome.

## 3 **INFORMATION**

- 3.1 This report provides a summary of the Farm and Aerodrome's Health and Safety performance in the last quarter.
- 3.2 The Farm Health and Safety report has been prepared by the Sharemilkers and attached to this report. The Council has not recorded any health and safety incidents at the Aerodrome in the last quarter.
- 3.3 The Stratford District Council's Health and Safety reporting obligation is to the Audit and Risk Committee. This report essentially informs this Committee of the operational compliance of the Sharemilkers Health and Safety obligations.



3.4 The table below provides snapshot of the health and safety recorded incidents at the Farm.

Type of Incident		Level of Treatment	
Cows breaking fences onto neighbouring property	1	No Treatment	0
Covid-19 restrictions	2	First Aid	0
Covid-19 Bubble Breach	1	Medical Centre	0

#### 4 SHAREMILKER'S HEALTH AND SAFETY REPORT

This update from the sharemilker directly provides an operational summary of the Farm's Health and Safety performance in the last quarter.

##### 4.1 Coronavirus

**Risk:** Coronavirus staff getting this and having no one to milk cows loss of income to Fernharp and Council. Risk deemed high and strict health and safety measures were put in place and adhered to.

**Mitigate risk:**

Staff:

- Staff member who had been travelling in South Island on her return isolated in the cabin for 14 days.
- Staff member who was displaying flu like symptoms went on leave
- All staff completed and signed forms from Dairy NZ itemizing the risks and precautions being put in place.

Farm:

- PPE gear provided, distancing of 2m not deemed essential as staff sharing accommodation but strongly adhered to while off farm at supermarket. All surfaces were wiped clean using alcohol wipes. Bikes, equipment and jobs assigned to staff to reduce the change over and spread.
- Staff meeting held and all requirements under level 4 listed on the board in cow shed. Requirements on board remained in place in level 3 and 2 given that bubbles were extended.
- Breach off bubble resulted in formal warning of one staff member and ultimately her resignation.

##### 4.2 Near Miss

**Risk:** Damage to property or injury

Two cows broke through fence and ended up on golf course 7 am on Friday

**Action:** The Sharemilker returned cows to farm and contacted golf course to discuss.

**Prevention in future:** The Sharemilker and Staff are going to do a farm walk and establish any other fence repairs needed to prevent another incident occurring.


4.3 **Health and Safety Meeting Minutes**

Topics Discussed in monthly meetings

- PPE gear when using chainsaw
- Helmets on bikes to be tied
- Any broken fences, equipment etc. Sharemilker is to be notified immediately
- Chemical Register updated
- Sign in book or text to be sent to Sharemilker for all contractors coming on farm especially important now that we are out of level 4
- If in doubt take someone with you, i.e. if the job is risky and staff are unsure then they need to speak up and take Sharemilker with them or go together.



Tracy Hinton  
**PROPERTY OFFICER**



(Endorsed by)  
Victoria Araba  
**DIRECTOR - ASSETS**



Approved By:  
S Hanne  
**CHIEF EXECUTIVE**

**DATE:** 8 June 2020